

South Portland City Council
Position Paper of the City Manager

Subject:

ORDER #170-16/17 - Authorizing the City Manager to submit the FY 2017-2018 Community Development Block Grant Annual Action Plan to the Cumberland County Community Development Program. Passage requires majority vote.

Position:

Entering into its eleventh year as part of the Cumberland County Community Development Block Grant (CDBG) Program, the South Portland CDBG program continues to receive a set-aside allocation of funds from the U.S. Dept. of Housing and Urban Development (HUD). This set-aside equals 23% of the amount of funding the City of Portland receives in CDBG funds. At this time, the funding amount for FY 2017-18 is unknown. In order for the funding to be approved, the City must adopt and submit the Annual Action Plan (annual budget) showing how funds will be allocated. The attached reflects plans for the next fiscal year.

On December 5, 2016, applications were made available to the public and City departments through the City's Community Development office. The application period closed on January 23, 2017, and on March 1, 2017 the Community Development Advisory Committee (CDAC) held a public hearing to provide a forum for applicants to address the Committee and further explain their requests. On March 15, 2017, the CDAC reviewed the applications and made their recommendations. Currently, we have not been apprised as to our funding level but we have projected level-funding from last year (\$412,033). In the event we do not receive level-funding, the Committee is recommending to proportionally increase or decrease each funding request accordingly unless it is a cut of 20% or more, in which case staff would come back to Council for further discussion and action.

The public service portion of the City's program is highly competitive and the 2017-18 requests from applicants exceeded the available 15% cap. The County program will also be using its estimated entire public service cap, so the City is therefore limited to a total of \$61,805 for this portion of the program. The balance of the CDBG Program budget has been allocated to public infrastructure and facilities improvements, emergency housing rehabilitation, planning, and program administration. The Plan outlines the services and projects to be funded. Once adopted by the South Portland City Council, Cumberland County will be responsible for submitting the City's Plan as part of the County's Annual Action Plan no later than May 15, 2017.

Staff is also proposing an amendment to the Consolidated Five Year Plan to add a new priority not previously identified: acquisition of land for affordable housing development. This is an eligible activity but will require a formal submission to HUD.

Requested Action:

Council passage of ORDER 170-16/17.



City Manager



CITY OF SOUTH PORTLAND

PATRICIA A. SMITH
Mayor

SCOTT T. MORELLI
City Manager

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

EMILY F. SCULLY
City Clerk

**IN CITY COUNCIL
ORDER #170-16/17**

District One
CLAUDE V. Z. MORGAN

District Two
PATRICIA A. SMITH

District Three
EBEN C. ROSE

District Four
LINDA C. COHEN

District Five
BRAD FOX

At Large
MAXINE R. BEECHER

At Large
SUSAN J. HENDERSON

ORDERED, that the City Manager be and hereby is authorized to submit the South Portland Community Development Block Grant Annual Action Plan for FY 2017/18 to the County of Cumberland as authorized and submitted by the Community Development Advisory Committee.

Fiscal Note: \$ _____ - Revenue

Dated: April 3, 2017

CITY OF SOUTH PORTLAND
COMMUNITY DEVELOPMENT
ANNUAL ACTION PLAN
JULY 1, 2017 – JUNE 30, 2018

BACKGROUND

The City of South Portland receives Community Development Block Grant (CDBG) funds from the U.S. Department of Housing & Urban Development (HUD) via a set-aside from Cumberland County. The partnership with Cumberland County, which is entering its 11th year, continues to be successful for both parties. South Portland receives from Cumberland County 23% of the value of the total allocation that the City of Portland receives each year.

2017-18 FUNDING

At this time, HUD funding allocations are unknown for the 2017-18 fiscal year. Congress is expected to pass a Continuing Resolution that would allocate funding by April 28, 2017. The following recommendations from the Community Development Advisory Committee (CDAC) assume level funding and use last year's allocation number of \$412,033. The Committee expressed a preference to meet again after receiving the 2017-18 final funding number; because level funding is expected staff recommends that the Council approve the current recommendations of the CDAC with the contingency provision that staff proportionally increase or decrease each grant recommendation to reflect the actual funding once that number is known, unless the cut is 20% or more. This approach is recommended by HUD and would ensure that the Cumberland County process and HUD submission schedule is not delayed, except in the event of a substantial cut.

PROJECT SELECTION

Funded projects must meet a national objective of benefitting low-moderate income persons or neighborhoods, eliminating slum/blight in the community, or addressing an urgent need such as a natural disaster. Eligible project activities include public facilities, infrastructure, housing rehabilitation, economic development, public services, planning, and administration. Public service activities are capped at 15% of the annual allocation amount and planning/administration activities are together capped at 20% of the annual allocation amount.

In order to identify specific projects, the Community Development department conducts a competitive grant application process for program funds. City of South Portland departments as well as external agencies apply through this process. Their applications are then reviewed by the Community Development Advisory Committee (CDAC), a group of 7 South Portland residents. The CDAC makes funding recommendations to the City Council for approval. This year's schedule was:

- On December 5, 2016, the City of South Portland released the applications for FY 2017-18 funding. All applications were due to the Community Development office by January 23, 2017.
- On March 1, 2017, the CDAC held an initial review meeting and public hearing for applicants to present their proposals and answer questions.
- On March 15, 2017, the CDAC discussed applications and developed funding recommendations.
- On March 29, 2017, the City Council held a workshop in which they determined that the Redbank Community Center Addition project would not be going forward at this time. The CDAC was made aware of this possibility at their March 15th meeting and they endorsed the staff recommendation of allocating the 2017-18 funds for that project to “West End Facilities & Infrastructure” as a back-up plan. Specific projects would be identified by the West End Master Plan process, which is currently underway.
- On April 3, 2017, the South Portland City Council will conduct a public hearing on the proposed FY 2017-18 budget, and authorize the CDBG Program Coordinator to submit the FY 2017-18 Annual Action Plan to the Cumberland County Commissioners for their review and approval, and eventual submittal to HUD in May 2017.
- All meetings were noticed and open to the public.

AMENDMENT TO FIVE YEAR PLAN

Staff is proposing amending the Cumberland County Five Year Consolidated Plan with HUD to include land acquisition for affordable housing as a potential CDBG project activity. In response to affordable housing needs in the City, staff has been exploring options for directing CDBG funds towards affordable housing development. CDBG cannot be used for new housing construction but it can be used for land acquisition and infrastructure to support housing development.

Currently, land acquisition is not identified in the Cumberland County Five Year Plan with HUD as a project category that the program might undertake. Any potential project categories must be identified through a public process and included in the Five Year Plan in order to be funded,

hence the proposed amendment. No specific housing project or proposal has been identified at this time, but the amendment would allow CDBG funds to play a role if the opportunity presents itself.

This proposal has been reviewed by the Cumberland County Municipal Oversight Committee (MOC), endorsed by the CDAC, and public notice has been printed in the Portland Press Herald soliciting public comment. If endorsed by the South Portland City Council as part of this Action Plan, it will go forward for County Commissioner approval and be submitted to HUD.

Applicant	Project Name	Prev. Year's Funding (2016-17)	2017-18 Funding Request	Committee Recommendations
Public Services (estimated 15% cap: \$61,805)				
City of South Portland	Recreation Scholarships - Summer Camp Aid	\$7,000	\$10,000	\$7,300
City of South Portland	Heating Assistance	\$8,000	\$15,000	\$5,500
City of South Portland	Bus Pass Program	\$4,105	\$8,100	\$6,505
Family Crisis Services	Domestic Violence Victim Services	\$5,000	\$5,000	\$5,000
Opportunity Alliance	Resident Resource Hub	\$16,000	\$20,000	\$17,500
Southern Maine Agency on Aging	Meals on Wheels	\$10,000	\$10,000	\$10,000
South Portland Food Cupboard	Cupboard Increases	\$10,000	\$20,000	\$10,000
			\$88,100	\$61,805
Public Facilities/Infrastructure/Housing				
City of South Portland	Redbank Community Center Addition <i>or</i> West End Facilities & Infrastructure	\$189,901	\$285,000	\$270,228
City of South Portland	Emergency Housing Rehab	\$30,000	\$15,000	\$15,000
			\$300,000	\$285,228
Admin/Planning (estimated 20% cap: \$82,406)				
City of South Portland	Admin	\$65,000	\$50,000	\$50,000
GPCOG	West End Outdoor Recreation Needs Assessment	-	\$15,000	\$15,000
			\$65,000	\$65,000
Estimated 2017 available funds: \$412,033		Total	\$453,100	\$412,033

DESCRIPTION OF PROJECTS

PUBLIC INFRASTRUCTURE/IMPROVEMENTS

Redbank Community Center Expansion or West End Facilities & Infrastructure

The CDAC reviewed an application for the construction of an addition on to the Redbank Community Center. 2015-16 CDBG funds were allocated for the design and engineering of the addition. The City Council reviewed project designs and budget at a 3/29/17 workshop and decided to not move forward with the expansion at this time. The CDAC was made aware of this possibility and at their 3/15 meeting endorsed the staff-recommended alternative project of “West End Facilities & Infrastructure,” with specific projects guided by the results of the West End Master Plan.

Application Request: \$285,000
CDAC Recommendation: \$270,228

HOUSING

Emergency Housing Rehabilitation

This program will offer emergency repairs and heating system repair/replacement for single-family low-income households. This program is designed to assist approximately 2-3 households in 2017-18.

Staff Recommendation: \$15,000
CDAC Recommendation: \$15,000

PUBLIC SERVICES

The Public Service program provides funding to local public service activities that directly benefit citizens of South Portland. Eligible costs include operating expenses, staffing costs, equipment/supplies, and program materials. HUD caps public service programs to 15% of the County’s entitlement funding. The City of South Portland shares this cap with the other communities in the Cumberland County program. South Portland’s 2016-17 cap was **\$61,805**.

Bus Passes

The South Portland Bus Service requested \$8,100 to provide free 10-ride bus passes to help low income residents needing transportation to work, medical appointments, school and shopping.

Application Request: \$ 8,100
CDAC Recommendation: \$ 6,505

Domestic Violence Outreach Support Services

Family Crisis Services provide advocacy for domestic violence victims in South Portland, including home visits, crisis hotline assistance, emergency shelter, and assistance with court protection orders.

Application Request: \$ 5,000
CDAC Recommendation: \$ 5,000

Heating Assistance

The City of South Portland's heating assistance program has been administered since 2006. The program provides emergency relief to low-income households in need of heating assistance.

Application Request: \$ 15,000
CDAC Recommendation: \$ 5,500

Meals on Wheels

The Southern Maine Agency on Aging is requesting funding for the Meals on Wheels program, which would provide approximately 150 homebound elderly residents in South Portland, with approximately 12,570 home-delivered meals.

Application Request: \$ 10,000
CDAC Recommendation: \$ 10,000

Summer Camp Scholarships

This program provides funding for South Portland youth who want to participate in a summer recreation camp but do not have the financial means to do so. This funding would subsidize between 15-30 full and partial scholarships for summer camp.

Application Request: \$ 10,000
CDAC Recommendation: \$ 7,300

Redbank Neighborhood Resource Hub – Hub Personnel

This request provides partial funding for the staffing of the Resource Hub in the Redbank Neighborhood. Over 80% of households in the Redbank neighborhood are low-moderate income. The Hub works to promote neighborhood and community connections and governance with the ultimate goal of reducing the number of vulnerable families and child abuse cases. Community engagement opportunities created by the Hub include a Summer Breakfast Program,

Neighborhood Connection Night, a neighborhood farmer's market, a weekly Bread Bank, English classes, after school activities, and resources and referrals to services.

Application Request: \$ 20,000
CDAC Recommendation: \$ 17,500

South Portland Food Cupboard

The South Portland Food Cupboard has been providing nutritious food to needy families for over 18 years and continues to serve over 600 people each month. Until 4 years ago the Food Cupboard operated rent-free out of the St. John the Evangelist Church. After moving into new space at 130 Thadeus Street that provided greater storage and operational capacity, the Food Cupboard faced high operating and leasing costs of \$2,000/month. The Food Cupboard also anticipates hiring a paid pantry director, increasing their operating costs and need for funds. This grant helps the Food Cupboard with those costs.

Application Request: \$ 20,000
CDAC Recommendation: \$ 10,000

ADMINISTRATION & PLANNING (Limited to 20% Cap):

West End Outdoor Recreation Needs Assessment

Greater Portland Council of Government (GPCOG) has requested funds to supplement the West End Master Plan process, to particularly focus on outdoor recreation needs.

Application Request: \$15,000
CDAC Recommendation: \$15,000

Program Administration

The administration of the CDBG Program includes expenses for staff time, telephone, utilities, supplies, travel, advertising, and technology. At the end of the fiscal year, excess funds that are not expended on administration costs are reallocated to other eligible projects.

Staff Recommendation: \$ 50,000
CDAC Recommendation: \$ 50,000