



CITY OF PROVIDENCE
Jorge O. Elorza, Mayor

MEMORANDUM

To: Chairman Luis Aponte, City Council Committee on Urban Redevelopment, Renewal, & Planning

From: Emily Freedman, Director of Community Development

Subject: **2019-2020 CDBG Program Year Process**

The schedule and allocation process for the upcoming CDBG program year follows.

Timeline:

- RFP Issued: January 7, 2019
- Workshop for Applicants: January 24, 2019
- Applications Close: 4:00PM, February 12, 2019
- Internal Review for Eligibility: by February 21, 2019
- Staff Presents Recommendations to Mayor: on or about February 26, 2019
- URRP Process—Meetings week(s) of:
 - March 25-29
 - April 1-5
 - April 8-12
 - April 15-19
 - April 22-26
 - Docket deadline: April 26, 2019
- City Council Passage(s): May 2nd and May 16th*
- Legal Ad for Action Plan Comment Period: due to Providence Journal May 14, 2019
- 30-Day Action Plan Public Comment Period Begins: May 17, 2019
- Public Hearing on Action Plan Draft: May 21, 2019
- Annual Action Plan Submitted to HUD for approval: June 18, 2019
- 2019-2020 Program Year Start: July 1, 2019

CDBG funds are appropriated annually through the Budget Ordinance process, and approved by HUD as part of an Annual Action Plan submission. The "Program Year" is July 1st-June 30th. The City is required to then report to HUD on all accomplishments by September 30th.



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Allocation Process:

Due to ongoing dysfunction at the federal level, we must again plan for a delayed announcement in final allocation amounts. As such, the budget process will again need to be based on a projected amount, and "Contingency" language incorporated into the passed Ordinance.

- We can safely expect to receive approximately \$4.93 million (a reduction of about 2.0% from last year), and will reprogram \$303,000 in prior year funds;
 - The City has the following fixed expenses:
 - 20% admin expense to pay for staff = \$986,000
 - Section 108 Payment = \$170,000 (required payment based on the initial loan application)
 - Housing Delivery expense = \$50,000 (supports the City's housing programs)
- Remaining funds to allocate = **\$4,027,000**

There are four main categories of activities for the CDBG program.

- **Public Service:** This is the primary category for most organizations applying for funds, but is also the most restrictive category as there is a regulatory requirement to allocate no more than 15% (of entitlement funding and program income) annually to public services. These activities are the direct service programs that organizations perform, such as community centers, food pantries, domestic violence prevention, youth programs, ESL classes, and etcetera.
- **Public Facilities:** This category represents infrastructure projects such as streets and sidewalks, and building improvements. There is no cap on the allocation amount for this category. Virtually all of the Council Ward Projects fit into this category.
- **Housing:** This category represents anything related to the rehabilitation or construction of housing for low and moderate income residents. Funding for the Home Repair program and EveryHome is classified as Housing. Allocations made to Community Development Corporations ("CDCs"), the Providence Housing Authority, and other housing providers for rehabilitation of/for affordable housing also fall under this category. There is no cap on the allocation amount for this category.
- **Economic Development:** This category represents anything that supports the growth and development of businesses and can include grants, loans, capacity building programs, and technical assistance. There is no cap on the allocation amount for this category.



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Evaluation Criteria:

The City has a well-established, web-based application system for its competitive pools of CDBG funding. Submitted applications were evaluated based on the following criteria:

- Number of Clients Served
- Priority for Racial Equity
- Targeting Areas of Concentrated Poverty
- Previous Awards
- Past Performance
- Agency Capacity and Staff Expertise for Project
- Compliance with Reporting Requirements
- Conformance with 5-Year Consolidated Plan Goals
- Evaluation of Cost Reasonableness.