



City of Grand Forks
 Staff Report
 Committee of the Whole – December 9, 2019
 City Council – December 16, 2019

APPROVED & ACCEPTED
 by City Council
Maureen Storstad
 12/16/2019
 Maureen Storstad
 City Auditor

Agenda Item: 2020 CDBG Program and Proposed Community Services Grant Program

Submitted by: Meredith Richards, Community Development Director

Staff Recommended Action: Authorize staff to proceed with 1) the 2020 CDBG program allocation process per the attached budget and schedule, and 2) implementation of a Community Services Grant Program on a pilot basis per the attached program description and schedule, including a \$125,700 budget amendment in Fund 2163.

Committee Recommended Action: Refer to City Council with recommendation to approve.

Staff noted the following:• Uses of the 1% sales tax include “the creation of new jobs, enhance the economic climate, save existing jobs, create new wealth, enhance the local property tax base, encourage capital investment, improve the quality of life, enhance tourism and local events, promote public, private or public/private enterprises or partnership, and diversify the local economy.” The proposed Community Services Grant program would support these, and have concluded are necessary, especially in regard to enhancing quality of life and will help to address workforce issues.

Council Action: Motion by Marshall, second by Dachtler, to approve. Motion carried unanimously.

CDBG BACKGROUND: The proposed 2020 CDBG budget is shown below, followed by the 2019 program for comparison.

PROPOSED 2020 CDBG BUDGET

Sources		Uses	
Entitlement	420,000	Administration	120,000
Program Income	<u>190,000</u>	Competitive Bricks & Mortar	380,000
<i>Subtotal</i>	610,000	Competitive Public Service	90,000
HomeCents RLF Receipts	<u>175,000</u>	Contingency	<u>20,000</u>
	785,000	<i>Subtotal</i>	610,000
		HomeCents Program Operations	<u>175,000</u>
			785,000

2019 CDBG PROGRAM (AS AMENDED)

Sources		Uses	
Entitlement (actual)	430,422	Administration	120,000
Program Income (est.)	243,000	Bricks & Mortar:	603,000
Prior Year Carryover	<u>80,000</u>	Ruth Meiers Ctr	155,000
	753,422	St Joseph’s	18,000
		Skate Park Ph 2	80,000
		Riverside Manor	125,000
		HomeCents	170,000
		RRVCA Shelter Rehab	20,000
		CVIC (contingent)	35,000
		Unobligated Funds (est.)	<u>30,422</u>
			753,422

COMMUNITY SERVICES GRANT PROGRAM BACKGROUND: From 1989 to 1997, the City provided locally funded Human Needs grants to supplement CDBG Public Service (operating) support to agencies who serve low-income populations. This was discontinued after the flood when CDBG funding was plentiful. The City has traditionally allocated CDBG funding to both Bricks & Mortar and Public Service projects on a competitive basis; however, following a 2017 HUD audit, the competitive Public Service program was suspended due to concerns about local agencies' ability to meet HUD documentation requirements. (Public Service funds were allocated to social detox facility operations in 2017 and 2018 on a set-aside basis.)

Operational support was identified as a key community priority during the recent Consolidated Plan process, and the Community Advisory Committee supported local funding for this. Attached is a draft program description for the proposed "Community Services Grant" program. The City currently funds two similar quality-of-life grant programs using sales tax proceeds: Arts Re-granting and Special Events. Both programs are budgeted for 2020 at \$125,700 in Fund 2163. Staff recommends similar funding for the Community Services Grant Program. In tandem with 2020 CDBG funds, this would make approximately \$215,000 available to non-profit agencies for programs that benefit low- to moderate-income persons. CDBG funding levels are expected to change dramatically in the next few years, so staff believes this funding model should be evaluated annually and adjusted accordingly. A brief program history with funding summaries is attached.

ANALYSIS AND FINDINGS OF FACT:

- The Community Advisory Committee (CAC) advises City Council on HUD-related issues, including the use of CDBG funds, and concurred that local funding for operational support is important.
- The recommendation to include funding for CDBG Public Services at the maximum level allowable by HUD plus a Community Services Grant Program reflects recent data that indicates that operating funds are a key priority need.
- In 2019, Grand Forks received \$430,000 in CDBG funds from HUD; that figure was \$470,000 in 1995, so federal funding has not remotely kept up with inflation. Because of HUD disaster assistance Grand Forks received after the 1997 flood, Grand Forks' CDBG program has been supplemented by locally generated program income, which kept its purchasing power fairly robust. With the sale of the Corporate Center, that program income stream will end.
- The City currently provides grants to non-profit organizations through the Special Events and Arts Re-grant Programs.

SUPPORT MATERIALS:

- Community Advisory Committee and proposed schedule
- Draft Program Description for Community Services Grant Program
- Program History
- Human Needs Program information

COMMUNITY ADVISORY COMMITTEE

Becca Baumbach, Community Foundation
 Tiffany Boespflug, Public Health
 John Colter, Board of Realtors/Apt. Assoc.
 Deb Davis, NEHSC
 Collin Hanson, Evolve Grand Forks
 Scot Hoeper, County Social Services
 Tori Johnson, Retired (School District)
 Craig Knudsvig, Retired (Housing Authority)
 Sandi Marshall, City Council, Development Homes
 Chief Mark Nelson, GFPD
 Ann Sande, Retired (City Council, service clubs)
 Cynthia Shabb, Global Friends, NPBA
 Barry Wilfahrt, The Chamber

PROPOSED SCHEDULE

December 2, 2019 City Council	Consultant presentation on Consolidated Plan (process and findings)
December 9 Committee of the Whole	Review 2020 CDBG timeline and budget and proposed Community Services Program time, budget and process
December 16 City Council	Take action on above
December 17	Staff advertises availability of funds
January 15, 2020	Applicant workshop
January 31	Application deadline
February 19	Review/ranking of applications by Community Advisory Committee (CAC)
February 24 Committee of the Whole	Review 1) CAC recommendations for 2020 funds and 2) draft 2020-2025 Consolidated Plan, Analysis of Impediments to Fair Housing Choice, and associated documents; set public hearing date
February 25	Staff advertises 30-day comment period
April 6 City Council	Hold public hearing and take final action

PROGRAM DESCRIPTION

COMMUNITY SERVICES GRANT PROGRAM

The purpose of the Community Service Grant Program is to provide funding to agencies that serve the human needs of Grand Forks, particularly its low-income populations, and enhance the quality of life for Grand Forks residents. It is not the City's intent to fund each request received, nor to act as a routine source of revenue for local nonprofits, but rather to evaluate proposals and provide assistance to the programs and services that most effectively serve the needs of and improve outcomes for Grand Forks' low-income residents.

- A. Funding: As with other quality-of-life grant programs, City Council will allocate funding from Fund 2163 as part of its annual budget process. There will be no roll-over of budgeted funds for this program; any funds that are not awarded to a nonprofit organization at the end of the year will be returned to Fund 2163.
- B. Program administration: The Community Development Department will manage the application, review and award process. Funds will be provided on a reimbursement basis; CD staff will process disbursement requests, collect progress reports, and provide an annual report to City Council on the use of funds.
- C. Eligibility: Any local non-profit agency with 501(c)3 status that serves a primarily low-income clientele is eligible to apply. Agencies must provide services without regard to race, nationality, sex, marital status, religion, or political affiliation. Funds are meant to provide operational support for the social welfare programs and services that these agencies provide, and will be prioritized for salaries, outreach, training, supplies, etc.; however, agencies may also request funds for capital improvements. Requests may not exceed 20% of available funds.
- D. Application and review process: Applications will be accepted concurrently with the City's annual CDBG allocation process, and will be reviewed and ranked by the Community Advisory Committee (CAC). The CAC's recommendations will be submitted to City Council for final action. In making funding determinations, the following factors will be considered (among others):
 - Will the proposed use of funds primarily benefit low-income residents of Grand Forks?
 - Will the proposed use positively impact a substantial number of low-income people?
 - Does the proposed use provide a new or expanded service, or address an emerging or ongoing community need? Is a similar service provided by other local agencies?
 - Is the size and make-up of the organization sufficient to provide the services proposed?
 - Does the organization have a high level of fiscal and operational management? An active Board of Directors?
 - Does the organization make its services available based on established nondiscrimination criteria?
 - Does the organization possess adequate program evaluation tools?
 - How will the organization leverage the City dollars provided?

PROGRAM HISTORY

Pre-flood:

- **CDBG** averaged \$470,000/year; Public Service portion (operating funds) averaged \$70,000/year (maximum allowed by HUD).
- **Human Needs Program** was approved in 1989 to provide local funds to supplement CDBG Public Services; averaged about \$70,000/year. Purpose: “Provide funding to agencies which serve the human needs of the city and particularly the needs of the low income population.”
- **Promotional Program**, also approved in 1989, provided local funds to “promote Grand Forks as a trade, service, recreation, tourism or manufacturing center; expand cultural opportunities; promote health and safety of citizens; promote the development or preservation of the City’s natural, historic or physical resources.” Funding averaged about \$70,000/year.

Post-flood:

- Human Needs program discontinued. **United Way** managed CDBG Public Services program from 2000 to 2007; allocation ranged from \$125,000 to \$250,000/year. [See CDBG funding history below.]
- Promotional Program discontinued. **Special Events Program** established by City Council in 2000. Originally managed by City, now managed by CVB. 2019 budget: \$125,700 (Fund 2163).
- **Arts Re-Grant Program** established by City Council in 2001. Originally managed by NoVAC, now managed by Community Foundation. 2019 budget: \$125,700 (Fund 2163).

SNAPSHOT COMPARISON

	1995	2010	1995 in 2019 \$	2019	2020 Proposed	2022 Estimated
CDBG Entitlement	\$470,000	\$450,000	\$791,000	\$430,000	\$420,000	\$430,000 est
CDBG Program Income	0	750,000	0	243,000	190,000	0
CDBG Public Service	70,000	150,000	118,000	0	90,000	64,000 max
Human Needs/ Community Services	80,000	0	135,000	0	125,000	TBD
Available Operating Funds	\$150,000	\$150,000	\$253,000	0	\$215,000	TBD

CDBG Funding by Year:	Entitlement	Program Income
2019	\$430,422	\$243,000 (est)
2018	\$411,752	\$252,028
2017	\$371,429	\$464,128
2016	\$330,877	\$25,589
2015	\$345,707	\$2,373,995
2014	\$356,600	\$334,247
2013	\$392,621	\$712,672
2012	\$385,237	\$827,991
2011	\$374,814	\$1,033,413
2010	\$451,667	\$750,855
2009	\$419,434	\$745,380
2008	\$412,486	\$995,532
2007	\$427,560	\$1,245,826
2006	\$427,776	\$773,793
2005	\$476,001	\$1,447,975
2004	\$504,000	\$1,553,834

CITY OF GRAND FORKS
COMMUNITY NEEDS PROGRAM
HUMAN NEEDS

A. PROGRAM DESCRIPTION:

The purpose of this program is to provide funding to agencies which serve the human needs of the city and particularly the needs of the low income population.

B. PROGRAM ADMINISTRATION:

The Office of Urban Development will provide application forms, review and control of the application process, and provide technical assistance to any agency requesting help preparing an application. This office will also provide financial and program progress reporting forms, along with program monitoring and evaluation activity. Requests for disbursement of grant awards will be processed and an annual status report submitted to City Council.

C. APPLICATION REVIEW PROCESS:

The deadline for submitting applications will be during the month of October with the exact date to be determined annually. Applications will be reviewed by Urban Development staff for completeness and proper format. The Urban Development Committee of City Council will hear testimony from each applicant, develop a final recommendation for City Council, and conduct the necessary public hearing process.

D. ELIGIBLE ACTIVITIES:

Funds may be requested to support salaries, fringe benefits, travel costs, training, supplies, dues and memberships, capital improvements, advertising, and other costs as may be deemed appropriate to the successful conclusion of a project. Funds are not intended to support ongoing or routine administrative and operation costs for applicant agencies but rather to support the specific project activity.

E. ELIGIBLE APPLICANTS:

Any local, nonprofit agency with a 501C3 or C6 status which serves the human needs of predominantly low income people is eligible to apply. Only one application from any nonprofit group will be considered.

F. REPORTING REQUIREMENTS:

Agencies funded through the program will be required to submit semi-annual program and fiscal reports as well as a final summary report at year end.

G. SELECTION CRITERIA:

1. The proposed project will be reviewed and considered in terms of how it:
 - a) Addresses a severe and immediate community problem.
 - b) Impacts a substantial number of low income people.
 - c) Is feasible and achievable.
 - d) Demonstrates concern for efficiency and cost effectiveness.
 - e) Is sponsored by an agency with the apparent capacity to implement the program.
 - f). Demonstrates fiscal need.
 - g.) Uses or has sought out other funding sources.
2. In addition, the project will be reviewed to determine if it:
 - a) Addresses issues relating to health and safety.
 - b) Is a duplication of effort by other agencies.
 - c) Has community support.
 - d) Can demonstrate measurable results.
 - e) Has commitment of other funding sources.
3. Further, the project application will be reviewed with regard to past performance of the applicant; the credibility of the organizational structure; and the presentation of the project for consideration.
4. Applications must be received no later than October 29, 1993, to allow for review, duplication, preparation, and delivery to the Urban Development Committee and City Council.

HUMAN NEEDS FUNDING - HISTORY OF ADMINISTRATION BY THE OFFICE OF URBAN DEVELOPMENT

APPLICANT	1989	1990	1991	1992	1993	1994	1995	1996	1997
	AWARD	AWARD	AWARD						
Abuse & Rape Crisis	\$18,000	\$26,000	\$26,000	\$26,000	\$28,000	\$28,000			
Affordable Housing-OU D								\$5,000	
ARC	\$6,150								
Centre, Inc.			\$500	\$400					
Children's Science & Tech.								\$6,000	\$7,861
Comm. Serv. & Restitution							\$20,000	\$10,000	
Detox Center									
Eagle Project									\$6,878
Emergency Food Cupboard		\$2,000	\$4,500	\$4,000		\$1,000	\$3,000	\$10,000	\$12,774
Friendship Place (CMI)			\$4,500	\$5,000	\$7,000	\$7,000	\$19,500		
GF Housing Auth-Youth Prog.			\$5,000	\$6,000	\$8,000	\$10,000	\$10,000	\$18,000	\$17,688
GF Housing Auth-FSS							\$9,000		\$9,826
Habitat for Humanity		\$2,500	\$2,000	\$3,000	\$3,000	\$2,000	\$3,000	\$10,000	
Humane Society		\$500	\$500						
LISTEN, Inc.		\$10,000	\$10,000	\$14,100	\$9,550	\$10,000			
Mayor's Comm-Emp. Dis.	\$850	\$1,000	\$1,000	\$1,000	\$1,000			\$1,200	\$1,965
Mayor's Comm-Human Needs	\$2,000	\$1,500	\$1,000						
Mountainbrooke									\$4,913
Operation Transition		\$2,500							
Prairie Harvest Hum. Serv.						\$2,500	\$5,000	\$7,000 *	
Riverbank Park - OUD								\$10,000	
Quad County		\$2,500	\$3,000	\$3,000	\$3,000	\$3,000	\$4,000 *	\$6,000	\$6,387
Salvation Army									
Senior Citizens Center					\$1,855				
Shelter for Homeless	\$10,000	\$20,000	\$23,000	\$20,000	\$21,095	\$19,000 *	\$12,000		
Special Olympics							\$2,000		
Third Street Clinic			\$1,000	\$1,500	\$1,500 *	\$1,500 *	\$11,500 *	\$11,500 *	\$17,688 *
Y Family Center				\$1,000	\$1,000	\$1,000	\$1,000	\$2,300	\$1,965
Youth Power-Just Say No								\$3,000	\$2,457
TOTAL	\$37,000	\$68,500	\$82,000	\$85,000	\$85,000	\$85,000	\$100,000	\$100,000	\$90,402

*Third Street Clinic - Awarded \$11,500 plus \$6,000 in waived rent.

*Prairie Harvest - Award contingent upon receipt and review of HUD grant award.

*Third Street Clinic - In addition to \$9,310 rent waiver.