

City of Detroit

Donovan Smith
Chairperson
Melanie Markowicz
Vice Chair/Secretary

Marcell R. Todd, Jr.
Director

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cpc@detroitmi.gov

Kenneth R. Daniels
David Esparza, AIA, LEED
Ritchie Harrison
Lauren Hood, MCD
Gwen Lewis
Frederick E. Russell, Jr.
Rachel M. Udabe

TO: City Planning Commission

FROM: Christopher Gulock, AICP, Staff

RE: **2024-25 Community Development Block Grant/Neighborhood Opportunity Fund (CDBG/NOF) Overview and Public Service funding recommendations**

DATE: February 14, 2024

On February 15, 2024, the City Planning Commission (CPC) is scheduled to review the 2024-25 CDBG/NOF Public Service (PS) funding recommendations. The Housing and Revitalization Department (HRD) is the City's lead department in administering the CDBG/NOF program. The Mayor's office has completed its review for the 2024-25 program year and forwarded its recommendations to the Commission. Attached to this report is a chart from HRD listing the recommendations from HRD and the Mayor's office.

BACKGROUND

Funding Programs

The three primary objectives of CDBG funding are to: 1) benefit low to moderate income persons, 2) prevent or eliminate slums or blight, or 3) meet an urgent community need. The subject review focuses only on PS organizations addressing these objectives. In April 2024, the Administration and Council will look at Homeless Solutions Funding programs, which includes Homeless Public Service (HPS) and Emergency Solutions Grants. Similar to last year, HRD did not include Public Facility Rehab (PFR) funding with this NOF Request for Proposals (RFP), because HRD is working to revamp the PFR program to improve its effectiveness.

Funding Available & Public Service 15% Cap

Federal regulations require that no more than 15% of the entitlement funds (plus program income) be allocated toward PS and HPS funding. As part of the City's overall CDBG budget review, the final CDBG budget will ensure no more than 15% of CDBG funds are spent on PS. For 2024-25, HRD is allocating a total of \$2,424,680 toward PS, which is \$100,000 less than 2023-24.

APPLICATION REVIEW PROCESS

Outreach for the 2024-25 CDBG/NOF Review

On July 27, 2023, and August 1, 2023, HRD held NOF Best Practice Forums to assist applicants with completing the RFP. Additionally, HRD held two proposal writing workshops: one on August 24, 2023, and the other on October 4, 2024. The RFP workshops were also recorded and posted on the HRD website, as well as the City's YouTube page.

The timeline and process for the 2024-25 CDBG/NOF review was similar to previous years, but delayed by about three weeks. On October 19, 2023, the NOF proposal bids closed, as opposed to September 30th in 2022. Based on HRD and the City Council's request from last year's review, the Office of Contracting and Procurement (OCP) worked to improve its Oracle system for NOF which delayed the process.

Threshold Criteria

Back in 1994, the City Council and the Administration first approved eligibility criteria for NOF funded proposals. Since then, the City Council has relied increasingly on the criteria to determine eligibility of the proposals. In July of 2007, partly in response to concerns of HUD, the City Council adopted Joint Threshold Criteria to be utilized by both the legislative and executive branches of government. Each year, the Administration and City Council's joint threshold criteria are listed in the application. The application states that groups not meeting the threshold criteria are not eligible for funding; applications missing non-threshold items are eligible, but scored lower.

The current joint threshold criteria listed in the proposal are as follows:

1. Must meet HUD National Objective;
2. Group must attend a NOF Proposal workshop;
3. Proposal must be complete, submitted by the deadline and on correct form;
4. Must have at least five (5) member board which meets at least bi-annually;
5. Must have federal tax-exempt status, i.e., 501(c)3, prior to applying for proposal;
6. Must have been in operation at least two years and have operating proof;
7. Must not have unresolved government audit and monitoring problems (i.e., tax, legal, etc.);
8. Must submit most recent fiscal year cash flow statement, financial statement and/or recent audit;
9. Must read and sign certification forms;
10. Must submit up to date Michigan Annual Non-Profit Report;
11. Must submit Certificate of Good Standing and Articles of Incorporation; and
12. Applicant organization must provide proof of operating cash on hand (at least 7% of the funding request).

Funding Priorities

Similar to previous years, in early August 2023, CPC staff in conjunction with HRD asked City Council Members to identify priorities via a survey for NOF allocations. The funding priority survey results are used as part of the evaluation of the proposals. The PS funding priorities are as follows (with 1 being the highest rank):

1. Public safety
2. Education
3. Health
4. Senior
5. Recreation

Submittals and Review

HRD worked in cooperation with CPC staff, the Office of Development and Grants (ODG) and the OCP in reviewing the submitted CDBG/NOF applications. During December 2023 and into January 2024, CPC staff met with staff from the other departments to conduct a joint review and scoring of each proposal. Each proposal was scored separately ranging from 0 to 100 points using a scoring criteria grid; then the staff met to discuss each proposal and develop a single consensus proposal ranking.

As in previous years, proposals scoring less than 80 points are not recommended for funding. After the joint review and score, HRD reviews the number of proposals, final consensus data, and anticipated entitlement amounts, in order to determine HRD recommended funding amounts.

Below is a summary of this year’s NOF recommendations as highlighted on the last page of the chart:

- 60 applications were submitted (47 were submitted last year)
- 40 groups were recommended for funding (35 were recommended last year)
- There were 10 new groups (last year there were 4 new groups)
- 20 of the proposals did not meet threshold requirements (last year 7 did not meet threshold); this is possibly partly due to the increased number of new groups.

PS has five sub-categories: education, health, public safety, recreation and seniors. The table below summarizes the funding recommendations in rank order:

	TOTAL PROPOSALS RECEIVED	RECOMMENDED FOR FUNDING	NOT RECOMMENDED
PUBLIC SAFETY	6	3	3
EDUCATION	27	19	8
HEALTH	8	5	3
SENIORS	12	7	5
RECREATION	7	6	1
TOTAL	60	40	20

CONCLUSION

At your meeting on February 15, 2024, the Commissioners will be asked to disclose or declare any potential conflict of interest prior to voting. The Commission will be asked to make recommendations regarding the Administration’s chart which will then be forwarded to the City Council for review.

On February 26, 2024, the City Council is scheduled to have an overview, public hearing, and appeals hearing for the 2024-25 NOF PS recommendations, and then on March 5, 2024, the Council will vote on the NOF allocations.

Attachment

cc: Julie Schneider, HRD
 Tamara Fontaine-Hardy, HRD
 Kayla Perrin, HRD