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# City of Detroit

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February 10, 2023

## **PLANNING & ECONOMIC DEVELOPMENT STANDING COMMITTEE**

### **RE: 2023-24 Community Development Block Grant/Neighborhood Opportunity Fund (CDBG/NOF) Overview and Public Service funding recommendations**

This report provides an overview of the 2023-24 Community Development Block Grant (CDBG)/Neighborhood Opportunity Fund (NOF) program along with the City Planning Commission's funding recommendations for the Public Service (PS) category.

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 2023-24 program year and forwarded its recommendations to the Commission for its consideration. Attached to this report is a chart from HRD listing the recommendations from the HRD, Mayor's office and City Planning Commission.

### **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, and 3) meet an urgent community need. Similar to last year, this review deals only with PS organizations recommended for funding through the CDBG/NOF program.

For 2023-24, HRD did not include Public Facility Rehab (PFR) funding with this Request for Proposals (RFP). HRD is presently working to revamp the PFR program to improve its effectiveness and plans to bring PFR funding back next year. HRD will be bringing recommendations for Homeless Solutions Funding programs, which includes Homeless Public Service (HPS) and Emergency Solutions Grants, in April 2023 after the City's budget review.

#### ***Funding Available & Public Service 15% Cap***

The estimated PS funding amount for 2023-24 is \$2,524,691. 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 make sure that no more than 15% of CDBG funds are spent on public service.

### **APPLICATION REVIEW PROCESS**

#### ***Outreach for the 2023-24 CDBG/NOF Review***

The timeline and process for the 2023-24 CDBG/NOF review was similar to previous years. Based on City Council's request from last year's review, HRD made additional effort to share information

about the application process with Council Districts and the Department of Neighborhoods leading up to the application deadline.

On July 27, 2022, HRD held a NOF Best Practice Forum with 82 participants. Part of this Forum focused on how to use the City's Oracle system to apply for NOF funding. HRD held two proposal writing workshops: one August 24, 2023 with 250 participants and the other on September 7, 2023 with 145 participants. The RFP workshops were also recorded and posted on the HRD website, as well as the City's YouTube page.

For outreach for the Forum and Workshops, HRD placed TV ads, posted notice in the Detroit Free Press, sent notice via HRD's listserv, posted notice on HRD social media page, and sent emails directly to organizations and interested individuals.

### ***Threshold Criteria***

Back in 1994, City Council and the Administration first approved eligibility criteria for NOF funded proposals. Since then, 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. For this year once again, the Administration and City Council's joint threshold criteria were 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).

### ***Submittals and Review***

PS has five sub-categories: education, health, public safety, recreation and seniors. The total number of applications received this year for PS was 47, which includes 10 new applicants. For 2023-24, of the 47 groups, 35 are recommended for funding and 12 groups are not recommended for funding. Four of the 10 new groups have been recommended for funding.

HRD screened the proposals and determined that 7 of the proposals did not meet threshold requirements (were missing one or more threshold items). These 7 groups and their threshold deficiencies are listed on the attached chart.

HRD worked in cooperation with CPC staff, the Office of Development and Grants (ODG) and the Office of Contracting and Procurement (OCP) in reviewing the submitted CDBG/NOF applications.

During the months of October 2022 through December 2022, 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 would not be recommended for funding. Five of the groups are not recommended for funding due to scoring below 80 points. Afterwards, HRD reviewed the number of proposals, final consensus data, and anticipated entitlement amounts, in order to determine HRD recommended funding amounts.

The table below summarizes the funding recommendations:

	# PROPOSALS	RECOMMENDED	NOT RECOMMENDED
<b>PUBLIC SAFETY</b>	2	2	0
<b>SENIOR</b>	8	6	2
<b>EDUCATION</b>	22	19	3
<b>RECREATION</b>	9	4	5
<b>HEALTH</b>	6	4	2
<b>TOTAL</b>	47	35	12

**CPC REVIEW RECOMMENDATION**

On Thursday, January 26, 2023, the City Planning Commission reviewed the subject chart and funding recommendations. At that meeting, CPC staff first asked Commissioners to disclose or declare any potential conflict of interest prior to voting. City Planning Commissioner, Melanie Markowicz, disclosed she served on the board of the Greening of Detroit. As a result, Commissioner Markowicz abstained from voting on the Education category which includes the Greening of Detroit. In conclusion, following deliberations by category, the CPC concurred with the Administration’s recommendations and made no changes to the funding amounts or awards.

**CONCLUSION**

In summary, included with this report is the Administration’s chart summarizing the applicants for the 2023-24 CDBG/NOF PS funding. For 2023-24, 47 applications were submitted. Of the 47 applications, 35 are recommended for funding and 12 are not recommended. Of the 12 not recommended, 7 did not meet threshold and 5 had a low score. Of the 10 new groups this year, 4 are recommended for funding. On January 26, 2023, the City Planning Commission voted to accept the Administration’s funding amounts without changes and is now submitting the summary chart to Council for consideration. On Wednesday, February 22, 2023, City Council is scheduled to have an overview, public hearing, and appeals hearing for the 2023-24 NOF PS recommendations.

Respectfully submitted,



Marcell Todd, Jr., Director, CPC

Attachment

cc: Julie Schneider, HRD  
 Tamara Fontaine-Hardy, HRD  
 Gordon Pierson, HRD