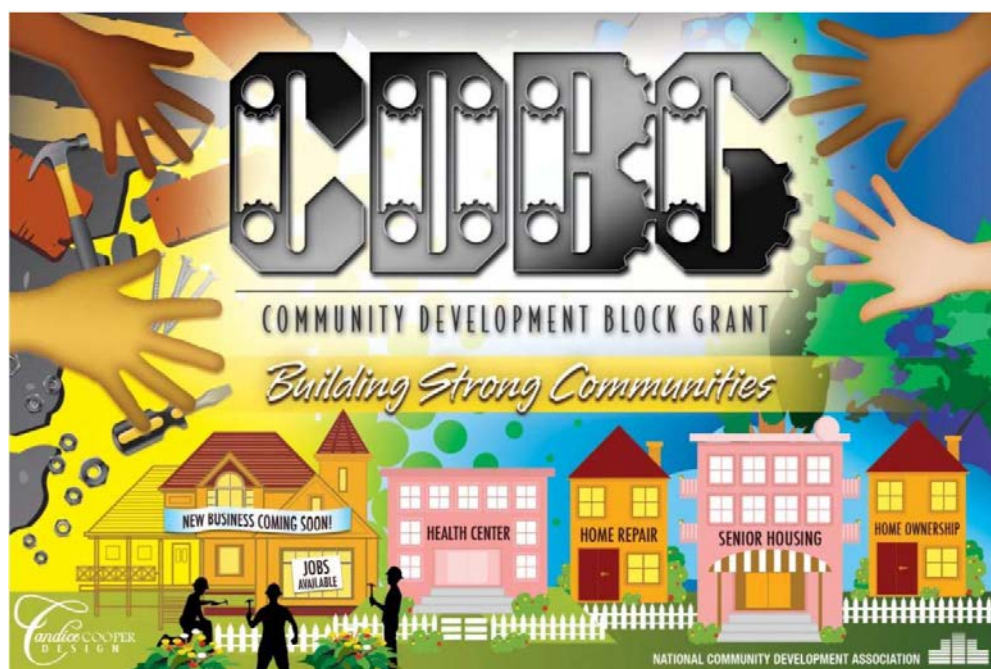


2020 CDBG PRIORITY SETTING TASK FORCE REPORT



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INTRODUCTION

The 2020 CDBG Priority Task Force is pleased to present its final report to the Portland City Council for your consideration.

We found that the current system is extremely well run, and allocations continue to be made that meet important city needs. City staff are to be highly commended for their organization and knowledge, as well as, the hard work and commitment they bring to the effort of planning, distributing and monitoring the use of these funds. The changes we are recommending are intended to increase efficiency, fairness and transparency, to make minor evidence-based adjustments, and to target the city's highest priorities in a time of growing demand for resources and a dwindling stream of funding.

SUMMARY OF RECOMMENDED CHANGES:

- Create a capped set-aside to promote smaller new programs
- Adjust city funding caps to better match survey data with historical data
- Focus the city's "high priority" list on housing and employment
- Simplify the scoring process and subcategories
- Increase communication amongst funding sources
- Remain open to emerging needs

BACKGROUND

The Community Development Block Grant (CDBG) is a federal program from the Department of Housing and Urban Development (HUD) that distributes funding based on allocations from Congress to its entitlement communities, comprising over 1,200 cities and counties throughout

the country. Historically the City of Portland has received approximately \$2 million in CDBG funds annually.

For the past ten years this funding has decreased. There has also been increased scrutiny over the past few years of the Department of Housing and Urban Development and the CDBG program nationally. The need for focus and accountability is greater than ever before. The City of Portland must redefine how federal CDBG dollars are allocated to emphasize, to the greatest extent possible, successful and measurable outcomes.

The City's establishment of the CDBG Priority Task Force of 2020 stemmed from the City's commitment to re-evaluate every three to five years the priorities identified by the CDBG Priority Task Force of 2008 and 2012 and the CDBG working group in 2013. This process began with the Housing and Community Development (HCD) Ten Point Plan, approved by the City on October 1, 2007. The HCD Ten Point Plan, a product of the HCD Task Force, required the creation of the CDBG Priority Task Force, followed by the Annual Allocation Committee.

PROCESS

Positions on the 2020 Taskforce were advertised on the City website as a newsflash, as well as, on the Boards and Committees page. The advertisement included a description of the taskforce, along with the roles and duties of the members. Lastly, the application was available online with contact information attached if a paper copy was needed.

HCD Staff directly advertised the opportunity to participate to all past committee members, including the City Manager's Policy Advisory Committee, HCD Task Force, CDBG Priority Task Force, CDBG Annual Allocation/Scoring Committee, past applicants and awardees of CDBG and HOME funds, and interested parties from the 2019 District Meetings. In total, invitations were sent via email to 380 individuals and organizations.

HCD Staff received 18 applications by the January 24th deadline. Members were diverse in their skill sets, represented all of the demographics listed in the taskforce guidelines, and every neighborhood in Portland. At the February 19th, 2020 Council Meeting, the City Council approved an order to reinstate the task force and approved the applicants as members. Four members of the task force resigned due to unforeseen circumstances caused by COVID-19.

WORK PLAN

The Task Force had a strict work plan that covered three sections: priorities and principles, structural changes, and administrative changes to the CDBG allocation process. The Task Force met 12 times between March and September, twice a month for two hours. The majority of these public meetings had to take place remotely via Zoom due to COVID-19.

The largest part of the Task Force work focused on the City's "Needs-Goals-Priorities" table, with a specific focus on high priority and priority activities.

This was also the focus of a large community outreach effort planned by the HCD office. Unfortunately, due to COVID-19 was revised and conducted entirely online. HCD staff created a targeted website with information regarding the consolidated planning process as well as multiple platforms to provide feedback. The website contained targeted surveys for the general public, business owners, social service providers, and past applicants and subrecipients of CDBG funding. The City highlighted the link multiple times throughout the spring and summer on their website and social media platforms. In addition, HCD staff partnered with Portland Downtown, the Chamber of Commerce, and social service provider networks to spread the word and encourage participation. At the time the survey closed there were 477 responses. The Task Force used this data to inform their decisions regarding priority activities.

RECOMMENDATIONS

At a high level, the Task Force is generally recommending increased communication with other funding sources, both within the City government and outside in the community, so as to optimize similar outcomes and coordinate achievements together.

Analysis of prior applicant pools indicated that many specific CDBG processes are having the desired effect. For example, the minimum allowable grant request in both social service and construction / development has ensured an appropriate level of commitment required to run and report on a CDBG funded program. In addition, application penalties have reduced the number of difficult submissions that previously required intensive staff involvement in order to process. For brevity, we have not listed all the topics which the Task Force reviewed and ultimately decided should remain unchanged.

PRIORITIES

**see appendix for full table of needs / goals / priorities*

The task force recommends the following high priorities:

- Neighborhood Investment and Infrastructure: Public Infrastructure in targeted neighborhoods, including parks and recreation facilities, Accessibility/ADA Compliance, alternative modes of transportation, and Community Policing Administration.
- Housing: construction of new housing (HOME funds only), the adaptive reuse of buildings for housing, rehabilitation of existing housing, housing retention, housing start up assistance. Housing Start-up Assistance has replaced Rental Assistance to allow for a broad range of housing assistance services, i.e. security deposits, utilities, housing application assistance and fees.
- Economic development: career advancement services, job retention support services
- Homelessness: Housing Services for long term stayers, emergency services to prevent homelessness, shelter services, housing start up assistance, Behavioral Health Services. Housing Start-up Assistance has replaced Rental Assistance to allow for a

broad range of housing assistance services. Behavioral Health Services has replaced mental health and substance abuse services.

The above list represents adjustments to previous “high priority” activities. Most notably, we are recommending a combined category of “behavioral health” that captures both mental health and substance use services. This recognizes the co-occurring nature of mental health and substance use, and that best practice involves addressing both simultaneously.

SCORING

SCORING CATEGORY	POSSIBLE POINTS
Goal, Priority Impact Level & Community Need	30 Total
• Goal	15
• Priority impact (5pts high Priority, 2pts priority, 0pts eligible activity)	5, 2, or 0
• Community need	10
Guiding Principles:	30 Total
• Measurable community impact	10
• Diversity and inclusiveness	5 Construction/ 10 Social Service
• Priority to lower incomes	5 Construction/ 10 Social Service
• Location (construction only)	5
• Sustainability (construction only)	5
Capacity to deliver:	25 Total
• Financial need	5
• Leveraged funding	5
• Experience providing service	5
• Readiness to proceed	5
• Financial stability	5
Partnership/Collaboration	15 Total

PENALTY	POINTS DEDUCTED
Missing section/s	1 point deducted per item
Failing to follow Submission Guidelines , section I.C.3 (including but not limited to: application not typed, page limits, max/min request amounts, etc)	0.25 point deducted per instance
Errors (e.g. in budget calculation)	0.25 points deducted per instance

The task force reviewed subcategory scoring from several prior years, and recommends an adjustment to the overall scoring structure. The goal of the changes is to streamline the process, make it more approachable and predictable for applicants and the allocation committee, and decrease arbitrary point value assignments to subcategories.

Under this scheme, each subcategory will be ranked on a universal scale of 1-5 (poor to excellent), with multipliers applied to especially important categories, resulting in a total 100 possible points per application. For example, the “ Goal” scoring category is worth 15 total points. The Allocation Committee will score it 1-5 and that number will be multiplied by 3 to get the total points awarded out of 15. The Task Force feels this structure should allow for flexibility, and defers to HCD Staff and the Allocation Committee for minor changes. For example, the Allocation Committee may determine a need to apply fractional ranks (such as 4.5 out of 5.0) in order to achieve higher precision comparisons amongst applicants, or staff later recommends adjustments to category multipliers to catch up to changes in city priorities.

Relative weights have been simplified while attempting to respect the overall levels of importance that had been determined during prior scoring rounds.

- 15% of the overall score is weighted toward “Goal”, and 15% toward “Collaboration”
- 10% toward each of the following: Community Need, Measurable Outcomes, Diversity, and Lowest Income Served
- Each remaining subcategory contributes 5% to the overall total score.

The task force is also recommending a few fine-grained adjustments to scoring subcategories. The goal of these changes is to reduce redundancy and a neutralizing effect to the scoring. In addition, we felt that expanding the scoring and page limits for collaboration will result in quality outreach and partnership efforts. The taskforce chose to increase the page limits for the collaboration section from two pages to eight pages. Lastly, expanding priority activities to include all eligible activities will open up the applicant pool, while still giving preference to the aforementioned priority activities.

- “Consistent with City Plans” will now be captured under “City Goals” in both scoring and the narrative of the application
- Collaboration will be a single overall score rather than tiered scoring for Outreach, Letters of Support, and Memorandum of Understanding
- Priority Activity will include three categories for scoring, “High”, “Priority”, and “Eligible Activity”

SET-ASIDES AND GRANT RANGES

The Task Force analyzed average allocations and requests from year to year, and it became clear that there are hurdles for small, new, and innovative programs. Through this analysis and discussion the Task Force recommends the creation of a set-aside of up to 20% for new programs that can meet a minimum score of 75 (out of a possible 100), with any remainder to be allocated toward the general pool. We hope to create a balance between new applicants and

veteran programs that provide essential services. This dilemma and balance has been a consistent discussion between staff and the yearly allocation committee.

Based on review of average grant requests over the last 5 years, the Task Force is recommending that the maximum allowable request in the construction / development category be reduced from \$250,000 to \$200,000 per program. Very few applicants request the maximum, and the average request was well below, at \$127,000.

The Task Force also recommends a slight reduction in the City funding caps:

- Reduce the maximum City funding cap in Social Services from 45% to 40%
- Reduce the maximum City funding cap in Construction and Development from 85% to 80%
- Simplify the overall calculation by eliminating the 60% public infrastructure cap.

The hope with these changes is to allow a larger number of applications to receive funding through the initial allocation process, rather than requiring a redistribution intervention by the City Manager or City Council.

ADDITIONAL CONSIDERATIONS

It became clear from the beginning that we were working at an extraordinary time in Portland's history, and this would need to be reflected in our recommendations to the Council even if specific responses remain unknown at this time. It's critically important that the overall funding process can balance the need for structure with an ability to remain open and flexible to address new emerging priorities and needs the City will be facing throughout the 5 year timeframe of the plan. The task force identified three emerging areas that may impact how CDBG funds are allocated in coming years.

COVID-19 and Portland's response to the ongoing health crisis:

It's likely COVID-19 will impact the City and its residents for many years to come and in every facet of life in Portland. As we've learned, the City's lower income and non-white populations are hurt the most by the pandemic. The economy, business growth, employment opportunities, housing, education, health care, food security, human services, and transportation are all in some form of change or limbo due to this health crisis. CDBG funding will have a future role in mitigating some of the impacts, and the City needs to begin planning now on how best to face these challenges.

New Homeless Service Center:

Preventing and alleviating homelessness remains an important priority for the City. CDBG funding can have an important direct or indirect role in making the City's plan for the new Homeless Service Center a reality, in cooperation with the state's ongoing development of more regional solutions. Although generally the task force valued more permanent solutions over

temporary, we agreed that emergency shelter needs to remain a high priority at this time. This could be revisited if a more stable situation were to prevail.

Racial Equity and Inclusion :

The Task Force had initial discussions at the beginning of this process regarding funding for Community Policing. The item was tabled, and discussed again in light of the national spotlight on racial justice and equity, and local community outcries for increased social service funding. The Task Force believes the City's Community Policing efforts are valuable and successful, and should remain a high priority. However, a majority of the Task Force believes that the City should begin to plan for funding Community Policing administration from the City's budget, both to ensure stability of ongoing critical services, and to free up additional CDBG funds for human services that complement these efforts. We understand the strain the city's budget is under and how difficult it might be to absorb 100% of this function, so at this time we are not recommending immediate removal of the CDBG set-aside for community policing administration.

APPENDIX

- I. Needs-goals-priorities table
- II. Summary of motions and votes

NEED	GOAL	PRIORITY IMPACT LEVEL
<p>Neighborhood Investment & Infrastructure:</p> <p><i>Description:</i> Public safety and mobility are key components to improving the livelihood of Portland neighborhoods. There is a significant need to build neighborhood sidewalks where none exist, improve ADA compliance, and increase access to alternative modes of transportation. Additionally, there is a need to increase resident’s ability to remain or become active and engaged members of their neighborhoods through community based services and programs.</p> <p><i>Basis for Relative priority:</i> In 2019 & 2020 the Portland City Council identified four goals that identified this need: 1) 15 buses for 15 minutes: Add 15 buses to our fleet allowing us to reduce peak hour wait times to an hour to 15 minutes. 2) Light Hybrid rail to the eastern waterfront: install hybrid electric rail cars to come into Portland’s eastern waterfront to reduce traffic. 3) Implement a plan for installation of solar arrays. 4) Increase public transit infrastructure and capacity in the City. The 2030 Comprehensive plan lists the following strategy: Full Service City: 2. Provide services to all residents. Operate City facilities and services in an efficient and effective manner that is responsive to all segments of the community.</p> <p>Resource: City of Portland <i>2019 & 2020 City Council Common Goals. and the 2030 City of Portland Comprehensive Plan</i></p>	<p>Create strong, safe, accessible and vibrant neighborhoods:</p> <p><i>Description:</i> Invest in infrastructure to improve neighborhood assets and build strong, safe, accessible and vibrant neighborhoods. Improve accessibility and livability through age-friendly designs and ADA compliance. Build sidewalks and trails to improve connectivity, increase the use of bicycles as a mode of transportation, and redevelop streetscapes to create shared streets for cars, bikes, and pedestrians that integrate with the fabric of the neighborhood. Support programs that increase safety in neighborhoods for residents and visitors.</p> <p>Invest in programs and services that address the specific needs of members of the community. Encourage programs that build a sense of inclusiveness, safety, and security within individual neighborhoods.</p>	<p>Including but not limited to (in alphabetical order, not in order of priority):</p> <p>HIGH PRIORITY</p> <ul style="list-style-type: none"> • Accessibility/ADA compliance • Alternative modes of transportation • Community policing • Park and Recreation Facilities • Public infrastructure in targeted neighborhoods <p>PRIORITY</p> <ul style="list-style-type: none"> • Community centers and engagement programs • Disability Services • Non-profit rehab • Public infrastructure outside of targeted neighborhood • Senior Services • Tree planting

NEED	GOAL	PRIORITY IMPACT LEVEL
<p>Housing Availability:</p> <p><i>Description:</i> In the 2019 Housing report it was reported that Portland has an affordability gap of \$255,796. In addition, there is a lack of affordable rental housing within Portland’s housing supply. The City Council continues to make housing availability and affordability their goal.</p> <p><i>Basis for Relative priority:</i> In 2019 & 2020 the Portland City Council identified the following goal to address this need: Increase access to rental and home ownership that is safe, affordable, and accessible.</p> <p>Resources: 2030 Workforce Housing Demand Study 2019 City of Portland Housing Committee, Interim Housing Report 2019 & 2020 City Council Common Goals.</p>	<p>Increase housing availability & affordability:</p> <p><i>Description:</i> Increase housing availability and affordability to all Portland residents regardless of income, race, ethnicity, and family size. Encourage housing development by removing barriers to traditional urban housing types while ensuring the inclusion of workforce and age-friendly housing in significant development projects.</p>	<p>Including but not limited to (in alphabetical order, not in order of priority):</p> <p>HIGH PRIORITY</p> <ul style="list-style-type: none"> • Adaptive reuse for housing • Construction of new housing (HOME funds only) • Housing Retention • Housing Start up Assistance • Rehabilitation of existing housing <p>PRIORITY</p> <ul style="list-style-type: none"> • Environmental testing and remediation • Energy efficiency/weatherization • Fair housing activities • Heating and fuel assistance • Legal services Tenant/landlord counseling services

NEED	GOAL	PRIORITY IMPACT LEVEL
<p>Economic Opportunity:</p> <p><i>Description:</i> Portland has a well-developed employment support system with many established providers. However, the system is fragmented, providers work in silos, there is insufficient funding to cover needs of potential workers, and career planning and financial stability are often prioritized less than job placement. Employment retention support is scarce and turnover results in economic uncertainty for employees and higher costs for employers.</p> <p><i>Basis for Relative priority:</i> In 2019 & 2020 the Portland City Council identified the following goal: Promote Economic Development in the City in a manner that provides for increased property values, diversification across industry sectors and high paying jobs. Specifically, as it relates to HUD programming and objectives, the Council further identified the need to advance work on the “Minority and Women-owned Business Development Initiative” and secure City Council approval to invest CDBG funds in workforce development.</p> <p>Resources: <i>Portland Economic Development Vision and Plan</i> Portland Community Chamber of Commerce: <i>Portland’s Economic Scorecard 2014-2015</i> Muskie School of Public Service: <i>The State of Infant Pre-K Childcare in Portland, Maine 2015</i> GPCOG <i>2014-2018 Economic Development Action Plan</i></p>	<p>Create economic opportunities to transition people out of poverty:</p> <p><i>Description:</i> Invest in Portland businesses to enable them to expand to create jobs. Invest in persons wanting to create microenterprises. Engage job seekers in a continuum of services to increase their professional capacity, financial stability, and ability to maintain employment. Focus on difficult to employ populations including homeless, new Americans and single parent head of households. Combine resources and build partnerships between public and private entities to provide opportunities to transition Portland residents out of poverty to sustainable employment and financial stability.</p>	<p>Including but not limited to (in alphabetical order, not in order of priority):</p> <p>HIGH PRIORITY</p> <ul style="list-style-type: none"> • Career advancement services <ul style="list-style-type: none"> • Education • Job training • GED attainment • ESL • Job retention support services <ul style="list-style-type: none"> • Childcare vouchers • Housing counseling • Transportation assistance <p>PRIORITY</p> <ul style="list-style-type: none"> • Job Creation • Microenterprise Assistance

NEED	GOAL	PRIORITY IMPACT LEVEL
<p>Address the Needs for Growing Homeless Population:</p> <p><i>Description:</i> The shelter system in Portland is beyond capacity. Staff and local organizations struggle to deal with overflow strategies to meet increasing need. Data from 2019 showed that 79% of the shelter consumers were new consumers, the average length of stay at the shelter is under 60 days. Homeless Prevention and Rapid Rehousing are key components to help reduce shelter usage and homelessness. Additionally increased case management is needed for those who have mental illness and substance abuse issues to help them navigate the service delivery system.</p> <p><i>Basis for Relative priority:</i> In 2019 & 2020 the Portland City Council identified the goal: Continue the effort to reduce homelessness, assist people experiencing homelessness through City, Regional, and State efforts.</p> <p>Resource: 2020 City Council Common Goals 2019 Health and Human Services Shelter Report</p>	<p>Prevent and Reduce Homelessness:</p> <p><i>Description:</i> Prevent individuals and families from becoming homeless and entering into the shelter system. Rapidly rehouse those who enter the shelter system. Provide necessary resources to assist vulnerable population’s transition out of homelessness, including housing opportunities for chronically homeless or long-term stayers at homeless shelters.</p>	<p>Including but not limited to (in alphabetical order, not in order of priority):</p> <p>HIGH PRIORITY</p> <ul style="list-style-type: none"> • Behavioral Health Services • Emergency services to prevent homelessness • Housing and Housing Services for long-term shelter consumers • Housing Start up Costs • Shelter services <p>PRIORITY</p> <ul style="list-style-type: none"> • At risk youth services • Food Assistance

II. SUMMARY OF APPROVED MOTIONS

- Motion to keep the Social Service Application minimum request at \$10,000
 - Passed 14-0, 1 abstained
- Motion to keep the Community Policing \$150,000 set-aside
 - Passed 11-1, 2 abstained
- Motion to reduce the Construction and Development Application maximum request from \$250,000 or 30% of the prior years allocation to a flat number of \$200,000.
 - Passed 12-1, 1 abstained
- Motion to keep the Construction and Development Application minimum request at \$10,000
 - 14-0, 1 abstained
- Motion to eliminate the 60% infrastructure cap and reduce the City funding cap from 85% to 80% for construction and development programs
 - Passed 14-0, 1 abstained
- Motion to reduce the City funding cap in social services from 45% to 40%
 - Passed 9-0, 1 abstained
- Motion to keep penalty points as is
 - Passed 13-0
- Motion to move park and recreation activities to high priority category and keep all other neighborhood investment and infrastructure the same
 - Passed 10-0
- Motion to remove historic preservation from priority activities list
 - Passed 6-5
- Motion to rename rental assistance to start up assistance and move from priority to high priority, everything else stays the same. Discussion, member clarified calling the activity rental housing start up assistance.
 - Passed 11-0
- Motion to remove façade improvements from priority activities
 - Passed 7-4
- Motion to remove financial stability services from priority activities
 - Passed 10-1
- Motion to move job creation from high priority to priority activity
 - Passed 6-5
- Motion to move microenterprise assistance from high priority to priority activity
 - Passed 8-3
- Motion to allocate 0 points to non-priority activities, 2 points to priority activities, and 5 points to high priority activities.
 - Passed 9-1
- Motion to combine mental health and existing substance abuse disorder activity in to one activity, labeled 'Behavioral Health', with a designation of high priority
 - Passed 13-0
- Motion to make 'housing start up services' a high priority activity
 - Passed 13-0
- Motion to change food assistance from high priority to priority activity
 - Passed 13-0
- Motion to allocate category points in both Social services and Development as follows:

- 30 points - Goal, Priority Impact Level & Community Need
 - 30 points - Guiding principles
 - 25 points - Capacity to deliver
 - 15 points – Collaboration
 - Passed 11-0
- Motion to allocate Goal, Priority Impact Level, & Community Need sub-categories points, in both Social Services and Development Activities, as follows:
 - 15 points - Goal
 - 10 points - Community need
 - 5 points - Priority
 - Passed 9-2
- Motion to remove Guiding principles sub-category consistency with city goals, plans, and initiative (4 points) and include this subcategory with the Goal, Priority Impact Level and Community Need, Goal Subcategory
 - Passed 10-0
- Motion for to allocate measurable community impact, diversity and inclusiveness, Priority to lower income as follows in social service
 - Measurable Community Impact 10
 - Diversity and Inclusiveness 10
 - Priority to Lower Incomes 10
 - Passed 7-3
- Motion for to allocate measurable community impact, diversity and inclusiveness, Priority to lower income as follows in Development
 - Measurable Community Impact 10
 - Diversity and Inclusiveness 5
 - Priority to Lower Incomes 5
 - Location 5
 - Sustainability 5
 - Passed 9-1
- Motion to allocate Capacity to deliver subcategory point distribution as follows:
 - 5- Financial need
 - 5- Leveraged funding
 - 5- Experience Providing Service
 - 5- Readiness to Proceed
 - 5- Financial Stability
 - Passed 9-1
- Motion to create a single scoring line ‘Partnership/Collaboration’ with a maximum of 15 points.
 - Passed 9-0, 1 abstention
- Motion to expand page limit to 8 pages for the collaboration section for both narrative and supporting materials
 - Passed 10-0
- Motion new applicants be required to score a minimum of 75 points to be considered for the set-aside.
 - Passed 10-0