To: Housing & Community Development Act Committee

From: Sarah Flax, Housing and Grants Manager

Subject: April 23, 2019 HCDA Meeting Cover Memo

Date: April 23, 2019

Attached please find:

- The meeting agenda
- Item 2: Draft minutes of the March 19, 2019 meeting for approval
- Item 3: 2019 Community Development Block Grant Funding from U.S. Department of Housing and Urban Development Memo
- Item 4: 2019 CDBG Allocation Recommendation based on Actual Funds Available

We look forward to seeing you on April 23rd.
AGENDA

I. CALL TO ORDER/DECLARATION OF QUORUM

II. APPROVAL OF MEETING MINUTES FOR MARCH 19, 2019

III. ALLOCATION OF ADDITIONAL FY 2019 CDBG FUNDS

IV. PUBLIC COMMENT

V. STAFF REPORTS

VI. ADJOURNMENT

The next meeting of the Housing & Community Development Act Committee is scheduled for Tuesday, May 21, 2019 in Room 2402.

Order of agenda items is subject to change

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Call to Order / Declaration of Quorum
Ald. Rainey declared a quorum of the Housing and Community Development Act Committee and called the meeting to order at 7:03 pm.

Approval of Meeting Minutes for December 10, 2018
Ald. Wilson moved approval of the minutes as presented seconded by Glenn Mackey; a voice vote was taken and the minutes were unanimously approved.

Ald. Rainey opened the floor for comment on the draft 2018 CAPER and asked for any input. There was no one in attendance to provide input and staff confirmed that no input had been received in writing or in person for the duration of the 15-day public comment period. There being no input, Ald. Wilson made a motion to close the public comment period seconded by Michael Miro. A voice vote was taken and it was unanimously approved to close the public comment period for the draft 2018 CAPER.

Vote to Approve Submission of 2018 CAPER to HUD
With the close of the public comment period, Michael Miro moved to approve the submission of the 2018 CAPER to HUD seconded by Ald. Wilson. A voice vote was taken and the committee voted unanimously to approve submission of the 2018 CAPER to HUD.

Other Public Comment
No other public comment.

Staff Reports
Staff provided information about updated low/moderate income information received from HUD. This information would be used to develop a new CDBG Target Area map for the upcoming 2020-2024 Consolidated Plan. Staff also confirmed that the revised income information would not affect the alley paving project funded in part with 2019 CDBG grant award and scheduled to commence in 2019.
The Committee agreed to reschedule the April 16 meeting to Tuesday, April 23, 2019 because HUD is expected to release 2019 grant amounts on or about April 15th. This will allow staff time to develop allocation recommendations for any additional funds over the estimated amount used to develop estimated 2019 funding recommendations at the October 2018 meeting, taking into consideration the priorities for additional funding made by the Committee at that meeting and included in the draft 2019 action Plan.

Adjournment
There being no further business, Ald. Wilson called for a motion to adjourn seconded by Michael Miro; motion passed unanimously and the meeting adjourned at 7:15 pm.

Respectfully submitted,

Jessica Wingader
Grants and Compliance Specialist
Memorandum

To: Chair and Members of the Housing & Community Development Act Committee

From: Johanna Leonard, Community Development Director
        Sarah Flax, Housing & Grants Administrator
        Jessica Wingader, Grants & Compliance Specialist

Subject: 2019 Community Development Block Grant Funding from U.S. Department of Housing and Urban Development

Date: April 23, 2019

Recommended Action:
Staff recommends approval of the proposed increases of Community Development Block Grant (CDBG) funding to the following public service programs: Connections for the Homeless/Drop In Program, Youth Job Center/Youth Employment Program, and YWCA Evanston/North Shore, and increases to Administration, Code Enforcement, and Public Facilities & Infrastructure projects as outlined in the attached spreadsheet.

Funding Source:
CDBG funding is from the U.S. Department of Housing and Urban Development. The City’s actual 2019 CDBG grant, combined with 2018 repayments to the Revolving Loan fund, 2018 program income and unspent CDBG funds from prior years, total $1,959,876, giving the Committee $200,925 more CDBG funding to allocate than the estimated $1,758,951 used to make allocations in October 2018 for the draft 2019 Action Plan.

Livability Benefit:
Economy & Jobs: Retain and expand local businesses, expand job opportunities, develop workforce, and support green jobs and businesses

Education, Arts and Community: Support social and cultural diversity, promote a cohesive and connected community, provide quality education from cradle to career, and support older adults as they age in the community
Equity & Empowerment: Ensure equitable access to community assets, provide for meaningful community engagement, support quality human services programs, and support poverty prevention and alleviation

Summary:
The U.S. Department of Housing & Urban Development released the 2019 Federal grant allocations for Entitlement Grantees on April 12, 2019. City of Evanston CDBG, HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) grants are shown below. CDBG and ESG amounts are modest increases from 2018, while HOME decreased by a higher dollar amount and percentage, reflecting the reduced allocation for the overall HOME program.

<table>
<thead>
<tr>
<th>Grant</th>
<th>2018</th>
<th>2019 Estimate</th>
<th>2019 Actual</th>
<th>2019 Actual</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG</td>
<td>$1,788,178</td>
<td>$1,650,000</td>
<td>$1,803,432</td>
<td>$15,254</td>
<td>0.85%</td>
</tr>
<tr>
<td>HOME</td>
<td>$384,889</td>
<td>$280,000</td>
<td>$355,216</td>
<td>- (29,673)</td>
<td>-7.71%</td>
</tr>
<tr>
<td>ESG</td>
<td>$146,023</td>
<td>$140,000</td>
<td>$151,731</td>
<td>$5,708</td>
<td>3.91%</td>
</tr>
</tbody>
</table>

Following the process outlined in the draft 2019 Action Plan, the Housing & Community Development Act Committee will allocate the additional CDBG funds to specific activities; staff will incorporate those allocations and 2019 actual grant amounts for CDBG, HOME and ESG in the 2019 Action Plan. The plan will be submitted to City Council for approval on May 13, 2019 prior to submission to HUD.

The attached spreadsheet shows staff recommendations to allocate the additional CDBG funding received for 2019. Increases to three Public Services recipients follow the committee’s plan to allocate additional CDBG funds in the Public Services category stated at the October 9, 2018, meeting and included in the 2019 draft Action Plan. The proposed increases are: Connections for the Homeless by $8,739, Youth Job Center by $10,399 and the YWCA Evanston/North Shore by $11,000.

Staff recommends increasing funding to CDBG Administration & Planning by $30,686 to the 20% allowed by regulation. 2019 Administration expenses will include most or all of the $13,000 that is the City’s share of the Cook county-wide Assessment of Fair Housing, and additional costs for data analysis needed for the City’s 2020-2024 Consolidated Plan. An increase of $37,000 is recommended for Target Area Code Enforcement to support goals of maintaining safe and sanitary housing for low/moderate income residents and reduce the amount of CDBG-eligible expenses charged to the General Fund. Staff additionally recommends increasing funding to the Alley Paving project by $60,012, and fully funding the CJE Senior Life, ADS Upgrade project at $23,387. Funding will not be released until it is determined if the Evergreen Senior Housing Project will move forward. If so, CDBG funds would become part of the
renovation of the existing CJE facility. It is recommended that all CDBG rehab loan repayments received in FY2018, totaling $117,150, be returned to the Revolving Loan fund. These recommendations are highlighted in green in the second column from the right in the attached 2019 CDBG Allocation Spreadsheet for review and discussion.

These proposed changes will not trigger a substantial amendment to the draft 2019 Action Plan, which the Committee approved at its meeting in October 2018, so a second 30-day public comment period will not be required. Following the Committee’s allocation of the additional funds, the draft 2019 Action Plan will be updated and submitted to City Council for approval on May 13, 2019. The approved plan will be submitted to HUD by May 17, or no more than five business days following its approval by Council. HUD has 45 days to review and approve before grant agreements are executed and funds are released.

Attachments:
2019 CDBG Funding Spreadsheet with Actual Funds Available - Staff Allocation Recommendation
### Public Facilities & Infrastructure

- **City/CDBG Administration & Planning (or 20% of grant)**
  - 2018 Allocation: $330,000
  - 2019 Request: $330,000
  - Committee Recommendation: $330,000
  - Staff Recommendation: $330,000
  - % of Request: 100%
  - % of CDBG: 100%

- **Housing Rehab Loan Repayments**
  - 2018 Allocation: $117,421
  - 2019 Request: $80,000
  - Committee Recommendation: $80,000
  - Staff Recommendation: $90,000
  - % of Request: 90%
  - % of CDBG: 90%

### Administration - 20% cap

- **Family Focus/The Future Focus-Youth Program**
  - 2018 Allocation: $15,000
  - 2019 Request: $20,000
  - Committee Recommendation: $11,400
  - Staff Recommendation: $11,400
  - % of Request: 57%
  - % of CDBG: 57%

- **Youth & Opportunity United/STEAM is For Teens**
  - 2018 Allocation: $12,000
  - 2019 Request: $20,000
  - Committee Recommendation: $14,200
  - Staff Recommendation: $14,200
  - % of Request: 71%
  - % of CDBG: 71%

- **Meals At Home/Home-Delivered Meals**
  - 2018 Allocation: $20,000
  - 2019 Request: $12,000
  - Committee Recommendation: $17,448
  - Staff Recommendation: $17,448
  - % of Request: 75%
  - % of CDBG: 75%

### Public Services - 15% cap

- **Public Services Subtotal**
  - 2018 Allocation: $460,000
  - 2019 Request: $260,101
  - Committee Recommendation: $290,239
  - Staff Recommendation: $290,239
  - % of Request: 57%
  - % of CDBG: 63%

- **Amount over (under) cap**
  - 2018 Allocation: $0
  - 2019 Request: $199,899
  - Committee Recommendation: $0
  - Staff Recommendation: $0
  - % of Request: 0%
  - % of CDBG: 0%

### Housing

- **City/Housing Rehab Administration**
  - 2018 Allocation: $100,000
  - 2019 Request: $225,000
  - Committee Recommendation: $200,000
  - Staff Recommendation: $200,000
  - % of Request: 89%
  - % of CDBG: 89%

### Code Enforcement

- **City/CDBG Target Area Code Enforcement**
  - 2018 Allocation: $325,000
  - 2019 Request: $375,000
  - Committee Recommendation: $338,000
  - Staff Recommendation: $375,000
  - % of Request: 90%
  - % of CDBG: 100%

### Public Facilities & Infrastructure

- **Public Facilities & Infrastructure Subtotal**
  - 2018 Allocation: $593,387
  - 2019 Request: $420,810
  - Committee Recommendation: $383,784
  - Staff Recommendation: $383,784
  - % of Request: 82%
  - % of CDBG: 82%

### Totals

- **Total Estimated Funds Available**
  - $1,758,951
  - $1,758,951

- **Estimated To Be Cut:**
  - $479,436
  - $479,436

### Funds Available:

- **2019 CDBG Grant (est 7.7% under 2018 grant of $1,788,178)**
  - $1,650,000
  - $1,803,432

- **2018 Revolving Loan repayments-estimated**
  - $80,000
  - $117,150

- **2018 Program Income**
  - $4,004
  - $14,347

- **Unspent Prior Years Funds for Reallocation**
  - $24,947
  - $24,947

- **Total Available Funds:**
  - $1,758,951
  - $1,959,876