

**Item 23-0215: Request to approve the REVISED 2023-2024PY Community Development Block Grant (CDBG) funding as specified in the attached community partner allocation recommendations**

**Community & Economic Development Committee**

Wed, Mar 22, 2023 4:30PM • 22:14

**Aldersperson Kristin Alfheim (District 11) 01:04**

We have number five: action item 23-0215 request to approve the revised 2023 2024 Community Development Block Grant funding as specified in the attached community partner allocation recommend—recommendations. District five. Thank you, Director.

**Unknown Staff Member 01:26**

Do you want to get a motion on it?

**Aldersperson Kristin Alfheim (District 11) 01:28**

I was wondering But you know.

**Aldersperson Nate Wolff (District 12) 01:29**

Motion to approve.

**Aldersperson Maiyoua Thao (District 7) 01:30**

Second.

**Aldersperson Kristin Alfheim (District 11) 01:31**

We have a motion and a second. If he would director.

**Director Kara Homan (Community And Economic Development) 01:36**

So, I'm going to walk you through primarily this spreadsheet on the last page of the memo. So late in 2022, the CDBG Advisory Board had met and made recommendations on a preliminary estimate of what staff had felt this, the Community Development Block Grant from Housing and Urban Development would be for fiscal year 2023. We got our fund—and that recommendation flowed through Council. However, we make our final award recommendations once we get the actual numbers from HUD. So, the actual numbers we received from HUD for this year is slightly less than what we had estimated, but it is still 1.2% higher than last year's allocation.

**Director Kara Homan (Community And Economic Development) 02:20**

So, when you take a look at the spreadsheet, showing the award recommendations for 2023. The way that our policy works is we always fund our city programs first, so we left those the same. And then, per HUD requirements, there's this category called the public service category. You can only fund 15% of your allocation for the public service category. So that's that second blue band. So, we had to reduce that by about—sorry, that's the third blue band, the public service category. We had to reduce that by \$2,437. And then we proportionally allocated it in an equitable manner of minus 2.76 reduction for all of the awardees in that category. And then the balance of the reduction was 13,816 of which required a 3.71% reduction for the three awardees in that category.

**Director Kara Homan (Community And Economic Development) 03:19**

We have the CDBG Advisory Board meeting again to review this with them. And they recommended what staff had recommended for approval to this committee. Are there any questions?

**Aldersperson Kristin Alfheim (District 11) 03:31**

Questions? Alder Jones.

**Aldersperson Vaya Jones (District 10) 03:32**

Can you help me understand the difference between the public service and non-public service? Because it seems like there's still the same—like there's housing in both. What is in the blue band?

**Director Kara Homan (Community And Economic Development) 03:46**

So, I'm going to answer it to the best of my abilities. So, Ryne Lodl is our interim community development specialist. He actually has a granting agency auditing our program all week this week. So, I think he might still be at one of our sub recipients.

**Director Kara Homan (Community And Economic Development) 04:03**

It's my understanding that the public service category's where you're directly providing services to individuals, versus the non-public services like economic development programming—actually building a house that a person can be in. But if you look at Boys and Girls Club, I believe that street outreach for homeless youth,

**Aldersperson Vaya Jones (District 10) 04:24**

Okay.

**Director Kara Homan (Community And Economic Development) 04:25**

Fox Valley Lutheran homes is providing direct services to households. Similarly, for the other sub recipients, they're helping individuals. If you wanted, like a really detailed answer, we'd be happy to follow up.

**Aldersperson Vaya Jones (District 10) 04:41**

Okay.

**Director Kara Homan (Community And Economic Development) 04:41**

Do you want that?

**Aldersperson Vaya Jones (District 10) 04:42**

Yes, please.

**Director Kara Homan (Community And Economic Development) 04:42**

Okay.

**Aldersperson Vaya Jones (District 10) 04:43**

This is my this is my stuff. More—a few more questions.

**Director Kara Homan (Community And Economic Development) 04:47**

Yeah.

**Alderson Vaya Jones (District 10) 04:48**

So just to make sure that I'm following this. You had an amount in 2022. And then there was the budgeted amount for what you thought 2023 would be? And it ended up being in middle. What was the jump—what made you expect more was coming in when to be higher than that last number?

**Director Kara Homan (Community And Economic Development) 05:10**

So, Dave, if I get this wrong—I believe the staff that put the budget together was Monica Stage and Nikki Gerhard, who was our Community Development Specialist at the time. I believe it was an average of the prior year prior three years' increases. So, they took the percent increase from the prior three years and then average to that and use that as the estimate for 2023.

**Alderson Vaya Jones (District 10) 05:33**

Okay.

**Director Kara Homan (Community And Economic Development) 05:33**

The award that came out was a little bit under what our three-year average would have been.

**Alderson Vaya Jones (District 10) 05:37**

But it's taking the last three years averages? Okay. And then when it comes to CDBG funds, are those—the rises and the falls—reflected in what's going on in the economy. With different committees, we're seeing construction costs are soaring. Is the inflation cost and whatnot—is CDBG affected by this? Is this, we should have expected this?

**Director Kara Homan (Community And Economic Development) 06:03**

The Community Development Block Grant is budgeted by Congress. So, it's a line item in the US Department of Commerce—er US Department of Housing and Urban Development's programming. So, Congress funds it, and then there is a formula for all of the entitlement communities. So, in Northeast Wisconsin, the entitlement communities are Oshkosh, Fond du Lac, Appleton, Green Bay, Sheboygan, and Neenah. They look at things like poverty rates, population, and other factors, run it through their formula. And then they just take the allocation they get for that fiscal year and push it out.

**Alderson Vaya Jones (District 10) 06:39**

Okay.

**Director Kara Homan (Community And Economic Development) 06:39**

I don't think there's a consideration for inflation. It's just based on what they're allocated and what that formula is.

**Alderson Vaya Jones (District 10) 06:45**

And one last question, I promise. And I think I know the answer to this, but I just have to ask. The organizations know ahead of time that this is what your award is but it could be changed, depending on what is received? Is—were these organizations expecting a reduction in their board numbers?

**Director Kara Homan (Community And Economic Development) 07:07**

I do know that we notified them when this was being recommended by staff to the board. I was not here when the original awards were made. And the folks I have sitting next to me weren't involved in that grant making process. So, I—

**Aldersperson Vaya Jones (District 10) 07:21**

Perfect. [Note: this was said jokingly.]

**Director Kara Homan (Community And Economic Development) 07:21**

—don't want to guess as to what was communicated last fall. But we did communicate in advance that this is what's being recommended and it will be a reduction.

**Aldersperson Vaya Jones (District 10) 07:30**

Okay. Thank you.

**Aldersperson Kristin Alfheim (District 11) 07:33**

Any further question? Follow-up? Hearing none, take a vote. Those in favor of approving signify by saying aye. Aye. That pass—passes unanimously.