

**Item 24-1607: Request to approve City Program Funding for 2025 Community Development Block Grant (CDBG) Funding**  
**Community Development Committee**

Wed, Jan 08, 2025 4:30PM

**Aldersperson Sheri Hartzheim (District 13) 01:05**

Moving on to public appearances, public hearings and appearances. Item number 24-1606, the Community Development Block Grant, CDBG, notice of funding available and community needs for the 2025 program year, April 1, 2025, through March, 31 2026. We're—we have a community meeting, public hearing, and there is no one in the public unless Alderman Schultz would like to speak in this regard. There being none—oh, I will actually make the three notices. This is a public hearing. Does anyone wish to speak? This is a public hearing. Is there anyone who wishes to speak? Third time. This is a public hearing. Is there anyone who wishes to speak? There being none, we will close that public hearing and we'll move on to action items.

**Aldersperson Sheri Hartzheim (District 13) 01:59**

The first one, well, the only one, is 24-1607, request to prove the city program funding for the 2025 community development block grant funding as specified in the attachment on the agenda.

**Aldersperson Vaya Jones (District 10) 02:13**

Move to approve.

**Aldersperson Nate Wolff (District 12) 02:14**

Second.

**Aldersperson Sheri Hartzheim (District 13) 02:14**

We have a motion and a second. What discussion do we have? Alderman Smith.

**Aldersperson Martyn Smith (District 4) 02:21**

Yeah, I have a question about the Community Resource Navigator and position as a public services project, especially expected to use the full sum of available public service dollars. Is that amount basically the salary for the for a person, or is that the amount that the that the Navigator has at his or her disposal?

**Aldersperson Sheri Hartzheim (District 13) 02:43**

Who would like to answer that question?

**Olivia Galyon (Community Development Specialist) 02:45**

I can answer that one.

**Aldersperson Sheri Hartzheim (District 13) 02:46**

Olivia. Olivia Galyon, the Community Development Specialist.

**Olivia Galyon (Community Development Specialist) 02:51**

Yes, so that that amount covers, like, the salary, fringe benefits, some office supplies and stuff like that for that position, but it's primarily for employing the Community Resource Navigator position in the community, not, like, the resources they have access to beyond that.

**Alderson Martyn Smith (District 4) 03:10**

And then, so when it says "available public service dollars", is that separate from any of these numbers that we have on on—or is there's the pot of money, basically that that person...?

**Olivia Galyon (Community Development Specialist) 03:22**

Yeah. So, we have, like, our total allocation estimate amount of \$588,231 and we can only allocate up to 15% of that toward what are considered public service activities. So, the activity that the Community Resource Navigator performs, their job activity would be considered as part of public service. So, they would eat up that like 15% limit. And then all the other items on here are non-public service projects. So, the housing rehabilitation loan program is considered under housing rehab. The neighborhood grant program is separate as well. Typically, those are public facilities projects. The Housing Authority does some housing rehab as well, and then some housing, like, down payment assistance, and then fair housing and CDBG admin are both considered as administrative expenses, and those are required to be funded as well. The fair housing portion is required to be funded.

**Alderson Martyn Smith (District 4) 04:26**

Great. Thank you.

**Alderson Sheri Hartzheim (District 13) 04:28**

Thank you. Ms. Galyon, do you have anything else to add to this? I should have asked you for your...

**Olivia Galyon (Community Development Specialist) 04:33**

Yeah. I'll just give a quick summary. So, in the—really, when we started the budgeting process back in late May, early June, we came up with an estimated amount for our CDBG 2025 program year, and we came up with about \$588,231. This is a rough estimate based on the last five years, and this amount is subject to change depending on what the official allocation from HUD is. Some years it's been higher than what we've estimated—the official allocation has been which is great. Some years it's been lower, so we have to make adjustments. So, for now, we're asking for community development committee to make a recommendation on our staff's proposed city program allocation.

**Olivia Galyon (Community Development Specialist) 05:19**

So, for our housing rehabilitation loan program, we're requesting \$200,000. I did want to note that that is higher than our usual request. In the past few years, we haven't requested much, if anything, for the housing rehab loan program, because that program receives program income once loans are repaid, when the house is sold or refinanced. Because in like 2020, 2021, 2022 there were really low interest rates, there was a lot of selling and refinancing happening, but as interest rates have gone up in the past few years, we've seen a lot less of that, so there's more need for our entitlement funds to go back into paying for that program. This will also kind of help so that potentially, in the next few years, there'll be more money for it to, you know, kind of build on and get more program income, potentially, if interest rates continue to go down as well. But just wanted to make note of that, that it is significantly higher than you might have seen in recent years.

**Olivia Galyon (Community Development Specialist) 06:18**

And then the Community Resource Navigator position, this is a very similar amount to what we requested last year. Again, these are all kind of subject to change, depending on what we get for our official allocation. So, if our official allocation is higher or lower, we'll adjust that to go with the 15% make sure we're meeting that.

**Olivia Galyon (Community Development Specialist) 06:38**

The neighborhood grant program, we typically request about \$40,000 for it. We requested that this past CDBG year and this year, but prior to that, we hadn't requested since 2018 and 2019. So that will help us. We started spending those 2018/2019 dollars and have spent the majority of them on a project this year. So, this will kind of help replenish that fund and have it available for projects going forward.

**Olivia Galyon (Community Development Specialist) 07:06**

And then the Appleton Housing Authority is a pretty standard funder—or we give them funding pretty much every year as they need it for some of their projects. This is a slightly lower amount, but they do have some outstanding funding that we're working with them to use as well. So, they provide a housing rehabilitation loan program or housing rehab program, and then home ownership assistance with these funds.

**Olivia Galyon (Community Development Specialist) 07:33**

And then fair housing is a required component. We contract with the Metropolitan Milwaukee Fair Housing Commission, and they help investigate any sort of fair housing claims that someone in the area might have. And then our CDBG administration helps fund staff salaries for staff that draw from CDBG—so myself, Liz Croley, the—blinking on the name—

**Unknown Person 07:58**

Coordinated Entry.

**Olivia Galyon (Community Development Specialist) 07:59**

Yes, Coordinated Entry Specialist, and then some finance people as well. So, then the fair housing and CDBG administration dollars are all considered administration. And those, we have a 20% cap on, so I think we're at about 15% with those. So, we're within the limit on that as well.

**Aldersperson Sheri Hartzheim (District 13) 08:19**

If the funds that come from the federal government are significantly lower (which I hope and expect is not going to be the case) what impact will that have on that Community Resource Navigator position?

**Olivia Galyon (Community Development Specialist) 08:33**

So that would reduce the total amount of salary and benefits dollars that we would have. We might try to make some reductions, first, in terms of how much is allocated for, like, office supplies, trainings, that kind of stuff. Otherwise, if it is significantly reduced, then we may need to look for, like, other grant sources or other options for funding that position fully and—

**Aldersperson Sheri Hartzheim (District 13) 08:59**

Director Homan.

**Director Kara Homan (Community Development) 09:01**

We would take it as it comes. So historically, HUD funding, since it was created in the 70s, I think, has been relatively stable. We know with the change in administration, change in Washington, DC, it's something we're keeping an eye on. The way that funding typically works, is you get it in yearly cycles. So, the funds that we're allocating this year, I believe, get us through next spring. So, we'd have some time if things did change, to kind of figure out what to do.

**Aldersperson Sheri Hartzheim (District 13) 09:31**

And we're expected to get these funds in March. Is that?

**Olivia Galyon (Community Development Specialist) 09:34**

Yes.

**Aldersperson Sheri Hartzheim (District 13) 09:35**

Okay.

**Olivia Galyon (Community Development Specialist) 09:35**

Or in—well, we'll get the funds for the program year, which begins in April. It kind of depends on when they get the allocation to us. So, this past year, we didn't get the official allocation till early May. Sometimes—

**Aldersperson Sheri Hartzheim (District 13) 09:35**

Okay.

**Olivia Galyon (Community Development Specialist) 09:35**

Because we're an entitlement community, as long as we follow all the federal rules, which we've been doing, then we will get the funds in March.

**Aldersperson Sheri Hartzheim (District 13) 09:54**

Depends on if the government shuts down.

**Olivia Galyon (Community Development Specialist) 09:56**

Yeah, sometimes they give it to us at the end of February. So, it's kind of a toss-up exactly when we'll know our total official funding amount.

**Aldersperson Sheri Hartzheim (District 13) 10:04**

Okay, thank you. You had a question, Alder Jones.

**Aldersperson Vaya Jones (District 10) 10:08**

What was the amount of CDBG funds set for nonprofits last year outside of the city?

**Olivia Galyon (Community Development Specialist) 10:15**

The—so last year, I can't remember the exact number, but we had a significantly higher amount, somewhere around \$300,000, I believe that was available for allocation to external, non-profit organizations. Because the housing rehab loan program request is much higher this year, there's a significant difference in what we have available. I did also want to note that while the housing rehab loan program one is higher this year than it has been in recent years, back in like the early and mid to early 2000s and early 2010s, it was typically closer to 100 to 200,000 requested for that program. So, we do have some prior experience with having more funds allocated to our city level projects and fewer funds available for external projects.

**Aldersperson Vaya Jones (District 10) 10:33**

Is there a requirement that if the city has enough programs needing funding to fit within the percentages, does a community, or does the city have to give that money out to community non-profits?

**Olivia Galyon (Community Development Specialist) 11:18**

No. We have flexibility to allocate the dollars in whatever way fits the city best, as long as we're following the federal program requirements for the types of activities that are eligible and then meeting those funding caps for eligible activities as well.

**Alderson Vaya Jones (District 10) 11:35**

So, the organizations that apply every year, they should be setting expectations of "We're not going to get the same amount every year."

**Olivia Galyon (Community Development Specialist) 11:42**

Yes, yep.

**Alderson Vaya Jones (District 10) 11:43**

Okay.

**Olivia Galyon (Community Development Specialist) 11:44**

Yep. They're used to that. And I—we do try to really communicate with the with them prior to the application being made available. They're required to go through a pre application training, and during that training, it's emphasized that these are entitlement funds that we receive, and that the amount may vary, that they shouldn't expect to get it yearly. And also, during that time, we tried to inform them that we had fewer funds available this year for external partners than in previous years. So, kind of help temper expectations there as well.

**Alderson Sheri Hartzheim (District 13) 12:20**

Correct me if I'm wrong, we do this initial allocation (obviously it's all pending based on what federal funding would be available), and then that remaining \$145,000 that you were just speaking with Alder Jones about is suggested to this same committee by the CDBG advisory board?

**Olivia Galyon (Community Development Specialist) 12:37**

Yes, that's correct.

**Alderson Sheri Hartzheim (District 13) 12:39**

But what we are approving today doesn't go to the CDBG advisory board, only the \$145,000 that—

**Olivia Galyon (Community Development Specialist) 12:46**

Yes.

**Alderson Sheri Hartzheim (District 13) 12:46**

—remains as community.

**Olivia Galyon (Community Development Specialist) 12:47**

Yep, the CDBG advisory board only reviews the external applications and then gives recommendations on the external applications, and then staff deals with the internal and core city projects.

**Alderson Sheri Hartzheim (District 13) 12:59**

Excellent. Thank you. Any other questions from anybody? All right, There being none, I will put us up for a vote here. All those in favor, please signify by saying aye. Opposed? And no abstentions, obviously, because we're all here. Moving on then—oh, that is approved five to zero. Thank you, Olivia.