



COMMUNITY DEVELOPMENT DEPARTMENT

Projects of Impact – A Strategy for Federal Community Development Grants

Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds are federal Housing and Urban Development (HUD) formula grants that the City receives on an annual basis. These are community development grants used primarily for housing development and other community-based projects and programming. CDBG and HOME are an important resource for urban community development. However, the federal appropriation for these programs has continually declined over time. Municipalities commonly utilize these funding sources to support various programs that make minor neighborhood interventions, rendering the overall resource invisible to the community at large. This makes it difficult for HUD to report on the impact of the program and justify it as a viable resource.

In an effort to produce strong, measurable and visible results, City staff have been encouraged by HUD to invest in high impact projects. This direction has come from the leadership of the HUD Chicago Field Office, the direct oversight body for Peoria grants. Executing high impact projects will be both consistent with HUD's expectations and beneficial to Peoria's urban neighborhoods.

Over the past several years HUD has emphasized this kind of coordinated and concentrated approach to investment for its homeless-focused grants. The approach has been successful and resulted in better housing, better systems and better outcomes. Emphasizing high impact projects is a way to achieve the same kind of measurable and visible results for neighborhoods by coordinating planning, community engagement and concentrated CDBG/HOME investment.

This document outlines the Community Development Department's approach to producing high impact projects. The approach follows specific steps in accordance with guiding principles both outlined below. An approximate timeline and additional detail is provided in closing.

Steps

- Aggregate a certain portion of CDBG & HOME funds to be carefully invested in a localized area on an annual basis.
- Utilize existing and future long-range planning and community engagement conducted by the Community Development Department. Follow-up these efforts with CDBG and HOME financing for the implementation of a high impact project.
- Release a Notice of Funding Availability (NOFA) soliciting proposals for projects that will meet the goals established as part of the long range plan and community engagement, consistent with federal grant requirements.

- Evaluate, underwrite and select the most competitive project.
- Monitor closely for progress, long-term compliance and financial viability.

Principles

- Foster projects with visible impacts that create stable housing and economic opportunity in neighborhoods
- Spread the impact – focusing on a different neighborhood or corridor for investment each year
- Conduct good planning work and community engagement on the front end – follow through with financial resources on the back end for implementation
- As little disruption to existing programs as possible

Timing and Other Considerations

Timing

- Budget 2018 CDBG and HOME funds for a high impact project in the East Bluff (June 2018)
- Using the existing planning infrastructure of the Wisconsin Avenue Business Corridor Plan and other planning and community engagement efforts in the East Bluff, Community Development releases a Notice of Funding Availability (NOFA) soliciting proposals for high impact projects consistent with planning and engagement efforts (August/September 2018)
- Proposal review, underwriting, selection, and Council approval of project specific funding (Winter 2018/19)
- East Bluff project begins (Spring/Summer 2019)

Additional Considerations

Concurrent NOFAs in the first year.

Community Development Staff will work to release a second NOFA for a high impact project prior to the end of 2018 for the 2019 CDBG and HOME grants. This timing would allow staff to get further ahead of the process for the sake of internal grant expenditure timelines and in order to allow developers to assemble other state and federal financial resources that are on discordant timelines as a part of their proposals. The second NOFA will solicit project proposals for a neighborhood in a different district. The NOFA will follow 2018 planning and engagement efforts being undertaken by the Community Development Department as implementation funding for a high impact project. This second NOFA would represent an annual timeline that would be replicable in subsequent years:

NOFA #2 for 2019 CDBG and HOME Funds (Annual process would follow this timeline approximately moving forward)

- Planning and engagement efforts (2018)
- Notice of Funding Availability released for high impact projects meeting the goals of planning and engagement (Late 2018)
- Proposal review, underwriting, selection (Winter 2018/19)

- Letter of Commitment to winning proposal contingent on 2019 CDBG and HOME grants
 - o HUD grants are usually received by the City midway through the year
 - o Developers could use this funding commitment to leverage other resources in the meantime
- Projects to begin late 2019 and continue through early 2020

Existing Programming

The well-known CDBG neighborhood programs (Roof Program, Emergency Repair Program) will be unaffected by this plan.

HOME funds have traditionally been used for housing development projects in different areas of the City. This will continue to be the case. The difference now being that the funding will be further streamlined with planning/engagement efforts and aggregated with CDBG funds for higher impact investing.