

CITIZEN ADVISORY COMMITTEE MEETING MINUTES
May 7, 2018

Members present: Classon, Freund, Gilmour, Heinrichs, Hodges, R. Johnson, Kelly, Kiefer, Lord, Neal, Williams

Members excused: Byrd, Hoepner, Holloway, Obleton

Members Absent: None

Staff present: Cameron, H. Johnson, Pribyl

Meeting called to order at 6:01 PM

There were no citizens with business to present to the CAC.

One new member, David Freund, joined the CAC for the first time.

The minutes of the April 2, 2018 meeting were reviewed. R. Johnson clarified that she did not make the motion to approve minutes at the April 2, 2018 meeting. Staff clarified that they would review notes and make the correction. Minutes were not approved pending this correction, and will be approved next month.

Lord made a motion to accept the financial report, Classon seconded, and the motion passed. Staff clarified that most of the subrecipients should be able to draw all funds before the end of the program year.

Staff discussed with members the process of allocating CDBG funds. On March 5, 2018 the Citizens' Advisory Committee (CAC) voted on recommendations for allocations of Year 44 Community Development Block Grant (CDBG) funding. Because of delays by Congress in passing a budget, this allocation recommendation was based on an estimate of \$1,200,000. The CAC also voted to make across the board changes in the allocations if the change in the estimated amount was +/-15%. These recommendations were accepted by City Council at their March 28, 2018 meeting. A copy of the March allocation summary is attached.

On May 1, 2018 HUD announced the actual CDBG allocation. Davenport will receive \$1,401,803, a 17% increase over the estimated amount. The additional funds available for allocation total \$201,803. Because the allocation is greater than the +/-15% change approved by the CAC in March, the CAC will need to vote on recommendations for how to allocate the additional funds. The increase in funds means that in addition to the overall total, the HUD required caps for public services and administration increase as well. Staff explained that according to the CAC's established process, CDBG allocations are typically capped for each applicant so that the total award amount does not exceed the original grant request.

Staff discussed with CAC that the same allocation formula run in March was run again with the increased allocation, making the maximum possible amount of \$250,000 available in the public service category. H. Johnson informed the CAC that she had made a typo in the version sent via email, and handed out a corrected version at the meeting. She explained that the CAC would need to take the same types of roll call votes for the increased allocation as were taken at the March

meeting, and that any votes to override the formula calculated recommendation would require a 2/3 majority vote, with the motion identifying which applicant would be reduced, which would be increased, and why.

Heinrichs moved to address the non-public services first and Lord seconded. The motion passed unanimously.

Staff clarified that only one applicant in the non-public service category was not already fully funded in the March allocation. Rerunning the allocation formula resulted in full funding at \$450,000 for that applicant, Housing Rehabilitation & Neighborhood revitalization Fund, with additional funding left over. Staff requested that the distribution of expenses between entitlement and program income funds be shifted in the Planning & Administration and Housing Rehab Staff & Supplies lines to allocate the uncommitted CDBG funds that exceed entitlement requests. These shifts do not represent increased requests for these applicants; rather the shifts allow more of the program income generated by the revolving loan funds to remain in the programs that generated them, funding eligible projects.

Classon moved and Hodges seconded to make the following allocation recommendations in the non-public service category. The motion passed unanimously.

- Increased funding over March recommendation:
 - Housing Rehabilitation & Neighborhood Revitalization Fund: \$450,000 (entitlement)
- Change in distribution of expenses with no overall increase over March recommendation:
 - Planning & Administration: \$249,845 (entitlement); \$0 (program income)
 - Housing Rehabilitation Staff & Supplies: \$376,958 (entitlement); \$45,300 (program income)

The group moved on to public services. For the benefit of new members, Staff explained how the allocation formula worked, and that the applicants are ranked from highest score to lowest score, with funding awarded first to the highest score and then on down the list until the available funding runs out. Staff also explained that, with the increase in available CDBG funds in the public service category, the result would be that all applicants would be fully funded to their requested amounts with the exception of the lowest scoring applicant, which was Humility of Mary Shelter & Housing. A new CAC member that was not on the committee during the March meeting asked the reasons that the application from Humility scored low. Other CAC members reiterated the reasons for low scoring that were discussed at the March and May meetings, including the choice to submit only one application rather than two due to their merger, the mistakes and low quality of the application and particularly the budget, the insufficient and slow response to questions from the CAC after the work session, and the failure to appear at the required presentation meeting. Staff clarified that each year's application stands on its own, and that the agency could score better in future years if it does not repeat these issues on future applications. A member requested an update on the monitoring results for Humility, Staff reported that the monitoring visit revealed that several of the agency's policies did not meet federal regulations, particularly for financial requirements, and that those concerns were also reflected in Humility's independently performed audit. The agency has been given until June 1 to correct them.

A member asked if fully funding agencies would result in applicants increasing their requests next year. Staff reported that it was possible, but also pointed out that agencies can request any amount they choose, however, the public service category is capped by HUD and the formula used by the CAC does not take requested amount into account, only the score total. Additionally, applicants must

provide a budget that justifies their requests; requests that are abnormally high would be flagged by staff for review if not accompanied by an explanation. Staff also pointed out that full funding in the public service category has been rare in recent years, because the grant has been reduced overall. It is happening now only because of the combined factors this year of an increase in available funds and a decrease in the number of public service applicants.

Heinrichs moved and Classon seconded to make the following allocation recommendations in the public service category. The motion passed unanimously.

- No change to two applicants that were already fully funded in the March allocation:
 - Friendly House \$28,291
 - Vera French \$20,000
- Increase to full funding for the five remaining high scoring applicants:
 - Big Brothers/Big Sisters \$30,000
 - Boys & Girls Club \$35,000
 - Family Resources \$35,000
 - Project Renewal \$31,428
 - Salvation Army \$35,000
- Increase short of full funding for the lowest scoring applicant:
 - Humility of Mary Shelter & Housing \$35,281

Lord moved and R. Johnson seconded to approve the full slate of recommendations to be forwarded to City Council. The motion passed unanimously.

Staff requested CAC guidance for the informal presentations for the summer. Last year the CAC discussed cancelling the presentations, as it was made voluntary for subrecipients and only three took advantage of the opportunity. Over the last several years the CAC has attempted to structure the presentations to get more useful information out of them, with mixed success. Members discussed getting rid of the presentations to make the CDBG process easier for the subrecipients. A new member asked if the summer presentations impact scoring, staff stated they do not. The group discussed the upcoming changes at Salvation Army and Humility of Mary, and considered inviting only those agencies to present. Classon moved to not hold summer presentations unless staff recommends them due to issues with individual subrecipients. Kelly seconded. Motion passed unanimously.

Staff provided notice to the CAC that despite earlier conversations about cancelling the June meeting, the CAC will have to meet in June to discuss changes at Salvation Army. Salvation Army applied for and was recommended for Year 44 CDBG funding for shelter/transitional housing services, but Staff has recently been made aware that Salvation Army will not be carrying out that activity as of July 1, which impacts the CDBG allocation. They have indicated they will be carrying out another activity in Year 44 and would like to request that they be allowed to use the Year 44 CDBG award. Staff clarified that it cannot automatically be assumed that the new activity is CDBG eligible, and that the CDBG funding cannot be automatically rolled from one activity to another without a formal decision. Salvation Army has been asked to complete a new application for the new activity. Staff will review the application to determine if it is CDBG eligible; if it is, the CAC will need to consider how to handle the change at the June meeting. Pending the outcome of that meeting, Staff suggests waiting until the June or July meeting to decide if the August and September meetings can still be cancelled.

Meeting adjourned at 7:24 PM.