

**CITY OF NAPERVILLE
MEMORANDUM**

DATE: December 31, 2009
TO: Doug Krieger, City Manager
FROM: Katie Wernberg, Community Grants Coordinator
SUBJECT: Community Development Block Grant and Social Services Grant Workshop Materials

PURPOSE

The purpose of this memo is to provide the staff funding recommendation for the 2010-2011 Community Development Block Grant (CDBG) and Social Services Grant program to the City Council for its consideration. The allocation of CDBG and Social Services Grant funds will be discussed by the City Council during the January 11, 2010 workshop.

BACKGROUND

By the deadline of November 2, 2009, thirty-nine (39) applications totaling \$2,111,481 were received for CDBG and Social Services Grant funds. The amount available for funding is \$733,478, therefore, difference between the amount requested and the amount of funds available is \$1,377,984. Both the number of applications and the amount of funding requested is generally consistent with previous years. Last year, the city received forty-four (44) applications totaling \$2,349,291. Funding priorities were established last year for each grant to fulfill a HUD requirement and to provide five-year strategic guidance to the CDBG and Social Services Grant processes (Attachment A).

CDBG

The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at the U.S. Department of Housing and Urban Development (HUD). The CDBG program provides annual grants on a formula basis to 1,180 general units of local government and states. In Fiscal Year 2011, the City of Naperville CDBG funding will be based on the anticipation of receiving the same amount as allocated in Fiscal Year 2010, \$483,478.

SOCIAL SERVICES GRANT

The Social Services Grant Program is a city initiative that began in FY07 as a complement to the CDBG program, but provides greater flexibility in funding social service activities. Whereas the CDBG program limits the allocation of funds to social service activities to 15% of the total funding, the Social Services Grant Program, which appropriates a total of \$250,000 through the Annual Operating Budget, can fund organizations that respond to multiple needs in the community without the restrictions of CDBG. Last year, the City Council also allocated the \$25,000 Social Services Grant program reserve so a total of \$275,000 was distributed.

APPLICATION DELINEATION

The CDBG and Social Services Grant use the same application. Staff separates the applications by the type of request. Only capital projects are included in the CDBG. A capital project is defined as a project that has a multiple year useful life and results in a fixed asset. Only direct

public services, such as counseling, are included in the Social Services Grant. A public service is regarded as a service to the public rendered with little or no charge and may be considered an essential commodity. However, there were a few exceptions this year:

- Edward Foundation defibrillators were placed in the Social Services Grant because they did not meet a HUD Federal objective and since it they could be proven to serve mostly low to moderate income individuals. Therefore, they could not be funded in the CDBG.
- Heritage YMCA Resource Center staff salary and rent request, Naperville CARES Rental Deposit Assistance and Emergency Assistance programs were placed into CDBG because staff tried to maximize the amount of services which could be funded during the economic recession. More funds were available in the CDBG than the Social Services Grant.

CITY COUNCIL ACTION

A staff committee representing the City Manager’s Office, Police Department, Fire Department, and the Finance Department prepared a recommendation for the allocation of both the CDBG and Social Services Grant funds (Attachments B and C). Since requests exceed the available funds, staff’s first consideration was to fulfill basic needs within the community, such as food, shelter, and emergency services. Recommended funding levels range from zero to the full amount of the request. There are several recommendations for partial funding, based on limited funding for allocation, the quality of the application, and the amount necessary for the achievement of the project.

The CDBG and Social Services Allocation Worksheets (Attachments B and C) will be sent as an e-mail on Thursday, December 31 to each Council member. These worksheets will be e-mailed because they will automatically total the allocation.

RECOMMENDATION

Staff recommends that the City Council uses the following process:

1. Complete the CDBG and Social Services Grant Funding Allocation Worksheets (Attachments B and C)
2. **Return the worksheets to Katie Wernberg by 5:00 pm Saturday, January 9.**
3. Staff will provide handouts of the results of the submitted worksheets during the workshop as a tool for Council to review each project and allocate funds. Each Councilman’s allocation will remain anonymous by the use of a number instead of a name to designate the author of the allocation, as in the example below.

			City Council Allocations								
Organization	Requested Amount	Staff Rec	1	2	3	4	5	6	7	8	9
City of Naperville	\$40,000	\$40,000	\$0	\$40,000	\$40,000	\$0	\$35,000	\$40,000	\$30,000	\$40,000	\$40,000

To assist Council’s review, staff also attached a three-year history of CDBG awards (Attachment D), a three-year history of Social Service Grant awards (Attachment E), and the CDBG Administrative Budget (Attachment F). A CD containing each application is included with these

workshop materials. Please note, applicant supplements, such as the organization's Federal Form 990, are not included on the CD. If you would like a supplement, please contact Katie Wernberg.

Attachments:

- A – CDBG and Social Services Grant Priorities
- B – CDBG Allocation Worksheet
- C – Social Services Grant Allocation Worksheet
- D – Three Year CDBG History
- E – Three Year Social Service Grant History
- F – CDBG Administrative Budget