

1. Meeting Summary

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CDBG Working Group

DRAFT Meeting 1 Summary: January 17, 2013

Members: Joni Boissonneault, Bethany Campbell, Rob Wood, Chris Hall, Rich Cantz, Julie Chase, Karma O'Connor, Tae Chong

Staff: Jeff Levine, Mary Davis, Amy Grommes Pulaski

Councilor: Mayor Brennan, Councilor Ed Suslovic

Introductions, background, participation

Amy welcomes and thanks everyone for coming. Everyone introduces themselves, provides a brief summary of their background and their experience with federal grants.

Mayor Brennan arrives and welcomes and thanks the committee. He discusses his history with the CDBG program and its evolution and effort to prioritize and focus the funds to have a direct benefit to the community. The money continues to be reduced. The question being asked is there an opportunity for the city to direct funding in an area to have a real impact? Is there a way to take \$500- \$1million to focus on economic self-sufficiency? Council has approved this direction. This group is marking the transition. The current funding recipients may not fit into the direction we are headed.

He provides two areas of emphasis: the homeless population and "new residents"/ immigrants/ refugees. As of January 1 the City has partnered with Preble Street to implement a new case management system. Every person coming to Portland seeking shelter will receive an assessment. This will identify housing background, economic background, mental or substance abuse issues, etc. We want to be able to identify persons who can be directly housed, or identify what their other needs may be. It would be great if the CDBG program created a program to help integrate homeless individuals back into the workforce.

The second area of focus that I am interested in are "new residents"- refugee, immigrant, etc. There are new residents coming to the City that have tremendous backgrounds that are coming to Portland from various countries. The best we have to offer them is work fare and general assistance. We need to do a better job in transitioning these individuals into the workforce. We are working with SMCC and USM to create rapid re-employment. It would be exciting to focus this program on an employment pathway to these two populations.

The Mayor continues to explain that the Housing and Community Development Committee is re-writing the TIF (Tax Increment Financing) policy. Anyone who plans to submit a TIF request will need to submit a plan to hire local contractors and employees. The details regarding the permanency of the job are still under discussion.

Regarding employment sectors, there are currently a number of hotel projects being proposed. All of the hotels are going to need a workforce during construction and in the long term. We can think about this as future employers. Tae references a hotel developer he has worked with in the past.

The Mayor refers to the big picture. It would be ideal to co-align Preble Street Case Management, new resident program, TIF Program, and the CDBG funds have a consistent and complementary policy. You can see a coalition of resources that can change the landscape here in Portland and surrounding areas.

The Mayor thanks the committee again and leaves.

Amy introduces Councilor Ed Suslovic, who arrived during the Mayors discussion.

Councilor Suslovic thanks the committee for taking on this challenge. He quotes Aaron Shapiro who said the goal of change for the CDBG program is evolution *not revolution*. This is a continuation of what we started back in 2007. Ed has been involved in the CDBG program and process since 2007. During his first year on council he was appalled about the politics that were involved in the allocation CDBG resources. There was no concern about outcome and evaluation. He could not explain why one applicant got funded and another did not. He thanks staff and volunteers that there has been continuous improvement to the program. We are doing a better job as a community for articulating what it is we want CDBG to do.

The 2012 CDBG Priority Task Force was able to focus the direction even further. The wisdom of the group prevailed. We are heading in the right direction.

Conflict of Interest

The Conflict of Interest discussion will be delayed until next meeting. Amy will provide a list of previously funded applicants over the last few years.

CDBG Summary

Amy provides a summary of CDBG and the history here in Portland. The evolution began with the HCD Task Force. Their job was to realign the program with its intent and original rules. They made several recommendations- like following the City's purchasing ordinance, projects must be complete within 2 years, projects should be fully funded, and the creation of both a Council appointed Allocation Committee and Priority Task Force. The 2008 Priority Task Force was convened and came up with five Priority Impact Initiatives: housing, work and shop, mobility and accessibility, safe neighborhoods and basic needs. The definitions are provided in your handouts. All current applicants at that time could realign themselves to fit into those priorities, but they need to focus and complete a much more complex application form. The 2012 Priority Task Force took those five priorities and chose one- work and shop, and redefined it and focused it further to be workforce development. Furthermore the most recent task force no longer wanted to fund programs in a piecemeal fashion, and instead wanted to fund programs that worked together toward a common goal. Instead of funding job training and child care and job creation and ESL, why not fund a collaborative effort to do all those things.

Ed explains that we need to focus more on outcomes: moving people from unemployment or underemployment to sustainable employment and self-sufficiency. We do not want to continue funding in a fragmented way. There was a great debate over what the focus is and could be. Basic needs such as shelters and soup kitchens are a continued need. However the Task Force wanted to help persons move out of poverty, rather than continue funding, rather than fund the operation of the shelter, serving persons in poverty. Ed, Tae and Karma explain some of the ideas and intent of the CDBG Priority Task Force.

Goals for the CDBG Working Group: Create a competitive grant process that is fair, transparent and defensible, to fund Sustainable Workforce Development proposals that move Portland residents out of poverty into sustained employment and financial stability by:

- 1) Investing in businesses with Portland locations to enable them to expand and create jobs.
- 2) Providing a continuum of services to increase a Program Participant's professional capacity, financial stability, and ability to maintain employment through career advancement services, financial stability services and job retention support services.

Outcome: Place program participants in newly created Portland-based jobs. Are there interim outcomes the committee wants to identify and track?

Comment: Amy explains that HUD requires 51% of the persons served to be LMI Portland residents. The Task Force is recommending that be increased to 66%. Is this plausible?

Specific Objectives:

- Define terms
- Develop a framework for determining the amount of funds available
- Create/recommend a process for soliciting various proposals,
- Develop/ recommend a means to evaluate competing proposals,
- Recommend tools to evaluate progress, benchmarks, and attainment of goals and objectives
- Develop/ recommend a means to define and track success and outcomes
- Identify next steps/ future direction including potential partners and other sources of funding

Scope of Work: Topics for future discussion/ strategies/ resources:

Models/ Other programs/examples

- Other programs that persons around the table have worked with that with some tweaking may apply here (Beth Campbell)
- CEI / Power Pay- tax credits that require Power Pay to hire LMI persons.
- Hotel example (Tae)

Questions for the Group

- Should we focus on industries- see City of Portland's Economic Development Plan
- Should we focus on populations, the Mayor identified homeless and "new residents"/immigrants/ refugees, others?
- Income disparity vs. skills gap (Chris Hall)

Implementation strategies

- How do you hold people accountable? Performance base contracting and payments.
- Focus on the persons who are better candidates, those most likely to get jobs, as opposed to those with insurmountable challenges. Avoid unemployable. "creaming"
- Employers can receive subsidized salaries for the first few years as incentive to hire from this program. But sometimes a financial incentive is not enough.
- Having the employer provide funding assistance to provide some of the support services- child care or housing counseling, etc. because there is more CDBG money available for businesses than support services
- Create a longitudinal study on the impact of these funds that would include long term follow up. Where are the participants after 3 years, 5 years, and 10 years?
- Other resources- John T. Gorman Foundation, United Way

Questions for Staff

- Provide a list of previously funded applicants for past 3 years
- HUD Income limits, eligibility
- New shelter intake forms and questions- get a copy
- City of Portland's Economic Development Plan- get a copy
- What do the FEDS think of this approach? Do others do this?