



**City of Cleveland**

Frank G. Jackson, Mayor

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**Department of Community Development**

Tania Menesse, Director  
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**DECISION MEMORANDUM**

**TO:** Edward W. Rybka, Chief of Regional Development

**FROM:** Tania Menesse, Director  
Department of Community Development

**DATE:** April 5, 2019

**SUBJECT:** PY 2019 CDC Activity Grant Program Funding Recommendations

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**Background:** Community Development released the 2019 RFP for CDC Activity Grant funding on December 13th, with a proposal due date of February 8, 2019. The Department received 18 proposals, requesting a combined total of \$2,053,926. Line-item funding for CDCs in Program Year 2019 (*July 1, 2019-June 30, 2020*) is expected to be \$1,108,000.

In keeping with the Department's ongoing efforts to help grantees produce outcomes that can be reported to HUD as tangible accomplishments, CDC Activity Grant funds are limited to agencies operating housing and business assistance activities, and at least one additional core service (*home repair, vacant land reutilization, community engagement, commercial rehabilitation, marketing, public service*). Only agencies classified as Community Housing Development Organizations (CHDOs) or Community Development Based Organizations (CBDOs) can propose public service activities.\*

**Analysis & Rationale:** The CDC Proposal Review Committee met on March 8<sup>th</sup> and March 14<sup>th</sup> to review proposals and to formulate the attached funding recommendations. The Committee---which is comprised of senior managers in Community Development, CD planners, city planners, staff representatives from City Council, Office of the Mayor and Cleveland Neighborhood Progress; used a 100-point scale to measure Organizational Capacity, Community Need, Program Impact and Past Performance. This point scale established the CDC's funding base, with the Committee recommending a 10% increase on last year's grant for CDCs scoring over 50 points and a 10% decrease for CDCs scoring less than 50 points as a starting point (DSCDO grant appears to be reduced but when their partner offices of Cudell and MetroWest are considered, their total award is \$190K).

Additional consideration was then given to five key factors:

- **Service Area Population** – which ranges from 5,244 residents (*Fairfax Renaissance*) to 33,813 (*Old Brooklyn CDC*).
- **Percentage of low/mod residents** - ranging from 37.5% (*Kamm's Corner*)\*\* to 84.6% (*Burten Bell Carr Development*),
- **Performance** - from July 1, 2017 through December 31, 2018, with strongest consideration given to agencies exceeding the industry average in Housing and Commercial activities, and in their ability to provide complete accomplishment reporting in IDIS.
- **Decertified contract balances** – to the extent that a CDC's inability to spend down CDBG funds within the program year negatively impacts IDIS reporting.
- **Audit review** – an assessment of agency assets and liabilities, operating cash and debt ratio to gauge financial strengths and weaknesses. Two CDCs (*Mt. Pleasant Now and Union Miles*) did not submit current audits but have submitted timelines for submission.

Seventeen grants ranging from \$25,000 to \$100,000 are recommended. This includes a grant of \$65,000 to new grantee Metro West Community Development for services in Clark-Fulton, Brooklyn Centre and the Stockyard neighborhoods.

The Committee is recommending the request from St. Clair Development Corporation be declined due to a low scoring proposal, significant contract balances and below industry average performance.

Outside of the scoring, the Community Development Department is focused on stabilizing the CDC network, so consideration was provided for CDCs that are supporting extended areas:

- Burten Bell Carr's support of the Buckeye Neighborhood
- Famicos' support of Hough and portions of St. Clair
- Greater Collinwood's expanded service area into northern Collinwood

A particular focus is also being placed on our southeast CDCs that were disproportionately affected by the foreclosure crisis – Mount Pleasant Now and Union Miles have taken significant steps in the last year to improve the capacity and performance of their organizations. In addition to investing CDBG funds, we will be working with Cleveland Neighborhood Progress to increase their board capacity and to offer more financial training to these agencies. The Department CD Planners will also be working with the CDC staff to better understand how we can support their efforts.

If approved, the total recommended would be \$1,108,000. Awards to CDCs with audit issues would be contingent upon submission of current audits.

Approved  Denied  More Information Required

Edward W. Rybka, Chief  
Edward W. Rybka, Chief of Regional Development

4-12-19  
Date

- \* CHDOs are non-profit, community-based organizations with staff capacity to develop affordable housing, including HOME-eligible projects. At least 1/3 of Board members must come from low/moderate income neighborhoods or organizations. CBDOs' neighborhood revitalization activities may include housing and/or community economic development. At least 51% of a CBDO's governing board must be low-mod income residents, owners, or senior officers of institutions or businesses in the agency's geographic service area. CBDOs may be non-profit or for-profit organizations.
  
- \*\* If the low/moderate income resident population is less than 51%, the CDC's service area must meet the local definition of a slum, blighted, deteriorated or deteriorating area. At least 25% of structures in the area must exhibit physical deterioration, abandonment, chronic high occupancy turnover rates, significant declines or abnormally low property values relative to other areas in the community, known or suspected environmental contamination. Kamm's Corner has a slum/blight area percentage of 36.1%.
  
- C: Joy Anderson, Commissioner, Division of Administrative Services  
Michiel Wackers, Executive Assistant, Department of Community Development

PY2019 CDC Fund Summary Report

Agency	Score	2019 Departmental Award	2018 Award	Total CDBG Request	Departmental Request	NDA Request
Detroit Shoreway Community Development Organization	77.3	\$ 100,000.00	\$ 109,000	\$ 505,000.00	\$ 100,000.00	\$ 405,000.00
Famicos Foundation	70.5	\$ 100,000.00	\$ 85,000	\$ 1,500,000.00	\$ 150,000.00	\$ 1,350,000.00
Fairfax Renaissance	68.8	\$ 88,000.00	\$ 80,000	\$ 300,000.00	\$ 100,000.00	\$ 200,000.00
Burten Bell Carr Development	68.3	\$ 96,000.00	\$ 90,000	\$ 500,000.00	\$ 90,000.00	\$ 410,000.00
Slavic Village Development	66.7	\$ 82,000.00	\$ 80,000	\$ 538,000.00	\$ 100,000.00	\$ 458,000.00
Greater Collinwood Development	67.4	\$ 80,000.00	\$ 78,644	\$ 727,000.00	\$ 162,000.00	\$ 565,000.00
Old Brooklyn Community Development	63.2	\$ 75,000.00	\$ 75,000	\$ 525,000.00	\$ 80,000.00	\$ 445,000.00
Tremont West Development Corporation	63.1	\$ 70,000.00	\$ 80,000	\$ 300,000.00	\$ 80,000.00	\$ 220,000.00
Metro West Community Development	53.5	\$ 65,000.00	\$ -	\$ 370,000.00	\$ 100,000.00	\$ 270,000.00
Kamm's Corner Development	51	\$ 55,000.00	\$ 30,000	\$ 379,261.00	\$ 75,000.00	\$ 304,261.00
Mt. Pleasant Now Development	49.1	\$ 52,000.00	\$ -	\$ 650,000.00	\$ 100,000.00	\$ 550,000.00
Union Miles Development	48.5	\$ 52,000.00	\$ 55,000	\$ 764,426.00	\$ 459,426.00	\$ 305,000.00
Bellaire Puritas Development	43.2	\$ 52,000.00	\$ 75,000	\$ 540,000.00	\$ 80,000.00	\$ 460,000.00
Ohio City Inc.	44.1	\$ 51,000.00	\$ 85,000	\$ 310,000.00	\$ 100,000.00	\$ 210,000.00
Harvard Community Services Center	43	\$ 38,000.00	\$ 55,000	\$ 297,500.00	\$ 97,500.00	\$ 200,000.00
Westtown Community Development Corporation	36.8	\$ 27,000.00	\$ 30,000	\$ 267,645.00	\$ 75,000.00	\$ 192,645.00
Cudell Improvement	26.5	\$ 25,000.00	\$ 30,000	\$ 160,000.00	\$ 30,000.00	\$ 130,000.00
St. Clair Superior Development Corporation	39.5	\$ -	\$ 75,000	\$ 75,000.00	\$ 75,000.00	\$ -
<b>TOTALS</b>		<b>\$ 1,108,000.00</b>	<b>\$ 1,112,644.00</b>	<b>\$ 8,708,832.00</b>	<b>\$ 2,053,926.00</b>	<b>\$ 6,674,906.00</b>

# Ordinance No. 142-2019

## AN EMERGENCY ORDINANCE

Authorizing the Director of Community Development to apply for and accept grants from the United States Department of Housing and Urban Development for the PY2019 under the Title I of the Housing and Community Development Act of 1974, for the 2019 Federal HOME Investment Partnerships Act Program, Emergency Solutions Grant Program, and the Housing Opportunities for Persons with AIDS Program; and authorizing contracts and other expenditures.

**Council Members Brancatelli and Kelley**  
(by departmental request)

Referred to DIRECTORS of Community Development, Finance, Law; COMMITTEES on Development Planning and Sustainability, Finance

WHEREAS, this ordinance constitutes an emergency measure providing for the usual daily operation of a municipal department; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That the Director of Community Development is authorized to apply for and accept grants from the U. S. Department of Housing and Urban Development (HUD) in the following estimated amounts: \$20,116,532 to conduct the PY2019 Community Development Block Grant (CDBG) Program; \$3,458,438 to conduct the Federal HOME Investment Partnerships Act (HOME) Program; \$1,739,682 to conduct the Emergency Solutions Grant (ESG) Program; and \$1,096,050 for the Housing Opportunities for Persons with AIDS (HOPWA) Program, for the purposes and uses set forth in the budgets and in compliance with the requirements of Title I of the Housing and Community Development Act of 1974 and applicable rules and regulations. That the Director of Community Development is authorized to file all papers and execute all documents necessary to receive the funds under the grants, and that the funds are appropriated for the purposes set forth in this ordinance.

Section 2. Project Clean Program.

(a) That Community Development Block Grant funds in the estimated amount

DEPARTMENT OF COMMUNITY DEVELOPMENT  
PROPOSED 2019-20 CDBG BUDGET

<u>Line Item/Programs</u>	Actual 2016	Actual 2017	Actual 2018	Org Council Proposal 2019 (-5.0%)	2019 HUD Allocation	HUD-Council \$ +/-(-)	HUD-Council % +/-(-)
<b>NEIGH. DEV. ACTIVITIES</b>	7,430,000	7,430,000	7,430,000	7,430,000	7,400,000	(30,000)	(0.40%)
Senior Transportation	170,000	170,000	170,000	170,000	200,000	30,000	17.65%
<b>CODE ENFORCEMENT</b>	419,000	-	-	-	-	-	-
<b>DEMOLITION AND BOARD UP</b>	950,000	950,000	950,000	466,276	535,889	69,613	7.33%
<b>HOUSING AND DEV. PROGRAMS:</b>							
Home Repair Assistance Programs	472,700	880,000	2,010,000	1,909,500	2,155,000	245,500	12.21%
SHAP/CHORE Program Admin	280,000	280,000	280,000	280,000	280,000	-	-
Senior Homeowner Assist Program	192,700	600,000	900,000	847,717	975,000	127,283	14.14%
Other Home	-	-	830,000	781,783	900,000	118,217	14.24%
Rehabilitation Program Administration	753,866	753,866	807,866	807,866	900,000	92,134	11.40%
Anti Predatory Lending	80,000	-	-	-	-	-	-
<b>PUBLIC SERVICE PROGRAMS:</b>							
AIDS Prevention Program	284,393	284,393	284,393	270,173	284,393	14,220	5.00%
Third Party Social Service Agencies	1,247,527	1,235,467	1,513,016	1,235,467	1,513,016	277,549	18.34%
Homeless Services	623,454	623,454	623,454	592,281	623,454	31,173	5.00%
<b>LAND REUTILIZATION PROGRAMS:</b>							
Lot Clean Up	1,166,908	1,166,908	1,210,999	1,210,999	1,210,999	-	-
Community Gardens ( 1 )	126,057	126,057	126,057	-	-	-	-
Land Bank Administration	320,000	320,000	320,000	400,000	495,000	95,000	29.69%
<b>COMMERCIAL REVITALIZATION:</b>							
Storefront Renovation Program	452,241	791,000	452,000	360,000	452,000	92,000	20.35%
Storefront Renovation Program	192,241	531,000	192,000	100,000	192,000	92,000	47.92%
Storefront Renovation Admin.	260,000	260,000	260,000	260,000	260,000	-	-
<b>COMMUNITY DEV. CORPS:</b>							
CDC Operating Support Grants	1,108,644	1,108,644	1,112,644	1,112,644	1,112,644	-	-
Citywide Dev. Support Services	246,221	246,221	270,843	257,301	270,843	13,542	5.00%
<b>GENERAL ADMINISTRATION:</b>							
Salaries and Benefits	2,983,554	2,983,554	3,303,619	3,303,619	3,400,000	96,381	2.92%
Operating Expenses	177,210	169,456	219,456	219,456	230,000	10,544	4.80%
Indirect Costs	285,000	-	285,000	285,000	285,000	-	-
Fair Housing Services	85,950	85,950	85,950	85,950	85,950	-	-
<b>TOTAL</b>	<b>19,382,724</b>	<b>19,324,970</b>	<b>21,175,297</b>	<b>20,116,532</b>	<b>21,154,188</b>	<b>1,037,656</b>	<b>4.90%</b>

Footnote:

- The Community Gardens program year runs April 1 thru March 31. The Community Development Block Grant program year is June 1 through May 31. Block grant funding for the Garden program is approved by Council 10 months prior to the program's start date. The 2018-19 program allocation will be used to fund the Garden program for 2019-20 grant year.

**DEPARTMENT OF COMMUNITY DEVELOPMENT  
PROPOSED 2019-20 FEDERAL HOME INVESTMENT PARTNERSHIP BUDGET**

Line Item/Programs	Actual 2016	Actual 2017	Actual 2018	Org Council Proposal 2019 (-)	2019 HUD Allocation	HUD-Council \$ +/-(-)	HUD-Council % +/-(-)
Home Repair Assistance	206,312	206,312	784,303	284,303	784,303	500,000	63.75%
Afford-A-Home	97,998	77,991	-	-		-	-
CHDO Affordable Housing	618,937	618,937	829,354	618,937	618,995	58	0.01%
Housing Trust Fund (HTF)	2,209,355	2,209,355	2,761,440	2,069,077	2,623,000	553,923	20.06%
HOME Program Admin.	347,320	345,843	486,121	486,121	486,121	-	-
<b>TOTAL</b>	<b>3,479,922</b>	<b>3,458,438</b>	<b>4,861,218</b>	<b>3,458,438</b>	<b>4,512,419</b>	<b>1,053,981</b>	<b>21.68%</b>

DEPARTMENT OF COMMUNITY DEVELOPMENT  
 HUD FORMULA ALLOCATION GRANTS  
 2016 - 2019

PROGRAMS	Actual 2018	Org Council Proposal 2019	2019 HUD Allocation	HUD-Council \$ +/(-)	HUD-Council % +/(-)	2018-2019 % +/(-)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)	21,175,297	20,116,532	21,154,188	1,037,656	4.90%	-0.10%
HOME INVESTMENT PARTNERSHIPS (HOME)	4,861,218	3,458,438	4,512,419	1,053,981	21.68%	-7.18%
EMERGENCY SHELTER/SOLUTIONS GRANTS (ESG)	1,739,682	1,739,682	1,796,770	57,088	3.28%	3.28%
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)	1,241,586	1,096,050	1,402,636	306,586	24.69%	12.97%
<b>TOTAL ALL PROGRAMS</b>	<b>29,017,783</b>	<b>26,410,702</b>	<b>28,866,013</b>	<b>2,455,311</b>	<b>8.46%</b>	<b>-0.52%</b>