





PLANNING AND DEVELOPMENT

400 La Crosse Street | La Crosse, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318

Staff Report Legislative File #20-1604

To: Community Development Block Grant Committee

From: Caroline Gregerson, CDBG Administrator

Date: 11/6/2020

Re: 2021 CDBG Allocation Guidelines and Funded Priorities

I. Staff is proposing only a competitive Zoom Grants application for operating costs for projects that meet the CDBG definition of public service or priority areas that are non-public service, totaling \$190,000. In addition, it is proposing a separate funding set-aside for a multi-family, affordable housing project, for \$200,000 over 2 years. If no proposals are received, staff would set-aside the funds and issue an RFP next year. Staff is proposing that non-public service CDBG and HOME funds will be allocated to projects that meet a goal/priority that were previously funded or City projects.

II.

| Proposed Pre-Approved Projects | | | CDBG | | HOME Funds | |
|--------------------------------|--------------------------------------|-------------|-----------|----|------------|--|
| City of La Crosse | Program Administration | \$ | 125,000 | \$ | 31,023.10 | |
| City of La Crosse | Comprehensive Plan | \$ | 50,000 | | | |
| City of La Crosse | Replacement Housing /Housing Rehal |) \$ | 57,251 | \$ | 225,000.90 | |
| CHDO set-aside | not committed until 2022 | | | \$ | 54,189 | |
| Couleecap | Focused Microenterprise Developmen | ıt \$ | 25,000 | | | |
| Wisconsin Womens | | | | | | |
| Business Initiative Corp | Entrepreneurial Technical Assistance | \$ | 35,000 | | | |
| La Crosse School District | Hamilton Elementary School | | \$200,000 | | | |
| Developer Unknown | Multi-Family Housing set-aside | | \$200,000 | | | |
| | | \$ | 517,251 | \$ | 310,213.00 | |

II. PRE-APPLICATION

All non-profit or non-City applications may only apply for funding if <u>CDBG Administrator</u> approves preapplication question responses. CDBG Administrator will approve of applicant's ability to apply for funds based on the following criteria:







PLANNING AND DEVELOPMENT

400 La Crosse Street | La Crosse, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318

- 1. Independently audited ever year or receives an independent financial statement. If applying for a loan, this requirement may be waived but will be subject to underwriting requirements and direct payment of loan funds to vendors.
- 2. CDBG funds and Grant to be kept in a segregated account
- 3. Board of Directors that exercises fiscal and programmatic oversight
- 4. Conflict of interest statement
- 5. Drug-free workplace policy/non-discrimination in service policy
- 6. Written policies and procedures for their program
- 7. Staff paid with CDBG funds complete hourly timesheets and approved by a supervisor
- 8. Adopted procurement procedures (if CDBG funds will be used for items other than salaries)
- 9. Maintain individual case files with documentation of eligibility for beneficiaries
- *Some flexibility may be given if applicant is applying for a loan, as long as they meet underwriting criteria.

II. EVALUATION OF APPLICATIONS

- Minimum grant amount is \$10,000 maximum is \$25,000 (public service), non-public service, \$50,000 maximum request. A total of \$190,000 will be available.
- Public service funds will be guaranteed for two years, pending no significant cuts in HUD funding. Non-public service may be funded over 2 years depending on the project's timeline.
- Applications will be ranked based on Committee and Administrative scores, once all funds have been allocated, the bottom tiered applications will not receive funding. Public service applications can expect to receive dollar amount requested or no more than a 5% cut to requested funds. Only one application per agency for public service funds.
- This year, there will be a \$200,000 over 2 years set-aside to support funding a multi-family affordable housing project. This application would be issued in a separate RFP.

III. Point Incentives

- Projects that have never been funded before
- Projects that meet a priority established in the Consolidated Plan: mental health and substance abuse issues, public safety, health care, domestic violence, and youth services.
- Organizations with a good track record (on time grant spending, attended all required meetings, consistently and accurately completed performance reports). This is evaluated by Planning Staff.







PLANNING AND DEVELOPMENT

400 La Crosse Street | La Crosse, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318

V. Multi-Family Low-Income Housing Tax Credit Funding

The City is again looking to support a multi-family project that is in support of low-income housing tax credits or a developer willing to pursue a project with affordability requirements of 25 units or more. There is \$200,000 available for this project over 2 years. There must be a 25% set-aside for homeless units and the funds will be in the form of a 1% interest only loan, deferred until sale.

VI. Community Housing Development Organization

\$54,189 of HOME funds will be set-aside for a Community Housing Development Organization Application. This is a special designation and the organization must be pre-certified by Planning and Development Staff. Staff is proposing to speak with Couleecap, its CHDO about preference for deferral of funds to next year or to create a project that meets a priority.