



City of St. Louis
COMMUNITY DEVELOPMENT ADMINISTRATION

Francis G. Slay
Mayor

Jill Claybour
Acting Executive Director

June 21, 2013

Dear Community Partner:

I am writing to tell you about an exciting new opportunity to change more people's lives and improve the community you serve. The City of St. Louis--in partnership with the U.S. Department of Housing and Urban Development--is improving the way it administers the Community Development Block Grant and HOME Investment Partnership programs.

Change can be scary. We will be challenging you and your organizations to help even more people and use resources even more effectively. But, we think these changes will empower more people to rebuild their own neighborhoods, advance the City's Sustainability Plan, and leverage more private investment.

Our goal is to ensure that every dollar in the CDBG program is spent wisely and well. We want every community organization to be effective and well run. We want to see new partnerships among the public, non-profit, and private sectors. We want to see less politics and more collaboration and transparency. Above all, we want to fund the best organizations with the best ideas to help improve lives and communities.

Attached you will find a package of documents in draft form. They are only a draft. We welcome your input, ideas, and feedback on them. We hope you will read them carefully and share your thoughts and suggestions about them with us during the public comment period, which ends on June 26, 2013. Once finalized, these documents will be used immediately for the new Community Development Block Grant funding application process that opens on July 1, 2013, and closes on August 1, 2013. We look forward to your input during the public comment period.

HUD has provided invaluable technical assistance to us as we improve our CDBG selection process. Their technical experts are helping us create a process to make sure the taxpayers are getting good value, to reward organizations that collaborate with other talented partners and to leverage other community financial resources.

You will notice that absent from the grant criteria are political connections. You will not need them. Instead, the City's Community Development Administration will be looking for strong organizations with keen administrative skills, new partnerships, good ideas, and the ability to carry them out.

The new process will also be data driven. At the national level, HUD is relying more on hard data. First, data is far more available and accessible, and not just to HUD, but to members of

Congress and taxpayers everywhere. It is much easier to look at reports and see what taxpayer dollars are buying. All grantees are being called upon to help HUD demonstrate to Congress and to decision-makers everywhere that the CDBG and HOME programs are vital to our communities and need to be preserved. They want to use data to do that.

Second, new and exciting data collection and applications give us analytical tools unprecedented in the field of community reinvestment. As part of HUD's technical assistance to the City of St. Louis, a distinguished Philadelphia-based non-profit, The Reinvestment Fund, is conducting a Market Value Analysis (MVA) of our entire community. You can learn more about this invaluable tool by visiting <http://www.trfund.com/planning/marketvalue.html>.

We hope that our MVA will be completed by the end of this summer, which means it will become one of a number of important new tools we use to evaluate our funding options and investment decisions.

They say Rome wasn't built in a day. We know reaching the highest standards possible will not happen in a short period. While our ultimate goal is to meet the highest standards, we understand that we and all our current and potential program participants are looking at some very big changes in a very short period of time. We know that as a community we won't reach our goals overnight. But, we can make improvements every day and every year.

In 2010, as a requirement to receive CDBG and HOME funding from HUD, the City prepared and submitted a Five-Year Consolidated Plan. Although the plan was very broadly written, our funding decisions have not, in many instances, demonstrated a focus on implementing the Consolidated Plan. HUD has directed us to use the Consolidated Plan as our guide and that our Annual Action Plan—which HUD views as the annual update to the Consolidated Plan—must reflect our funding decisions for the entire year.

We will not be transferring dollars from one program category to another during the course of a funding year unless we request a Substantial Amendment to our plan. Requesting a Substantial Amendment will require publication and public hearings. Even then, we must be able to show that we are facing an emergency that we could not reasonably have expected when we allocated funding for the year. What this means as a practical matter is that the days of identifying activities during the course of the year and transferring funds from the housing production program to fund them are over.

Although we do view 2014 as transitional, there are substantial changes that will happen right away. As discussed earlier, we will not move money from one activity to another once we have completed our funding process for the year and submitted our grant application to HUD. Another very important change is the basis on which we fund activities and organizations. HUD has been very clear with us that providing general operating support to non-profits to build capacity is not acceptable and should not be funded. Applicants for funding must submit proposals for specific,

measurable products or services and tell us what it will cost to provide them. There is a sample in the draft application. There will also be training made available to current funding recipients and those who may be interested in applying for funding, where you will learn more about how a competitive application should be prepared. And that's the key—competitive.

No longer will we submit a proposed funding plan for the year that simply continues the funding of prior years, adjusted for what have become the CDBG and HOME cuts made by Congress, and approved with the caveat that changes will be made easily during the course of the year. Instead, recommendations for funding will be arrived at as a result of a transparent, objective, competitive process, based on review and ranking of applications according to clear, detailed and objective criteria. Our draft ranking criteria are here for your review and comment. Please go over them carefully and share your thoughts with us.

Our recommendations will then be vetted through our HUD-approved Citizen Participation Plan of publication and public hearings. We believe that the result will be a more focused, thoughtful, coordinated and effective investment of scarce community resources.

You will learn by reading the application that we are entertaining proposals for a variety of public services, for economic development, for housing programs and for public improvements during this funding round. The other priority areas for CDBG funding will be administered as follows:

- CDA will retain responsibility for the administration of the CDBG and HOME grant programs. This includes the funding of City departments and the St. Louis Development Corporation (SLDC) to assist in this function, as well as the final year of the City's contract with the Minority Contractors Institute, which assists small and minority contractors and entrepreneurs. CDA is responsible for ensuring that CDBG, HOME and Neighborhood Stabilization Program funds are used in compliance with all program requirements. CDA is also responsible for assessing the performance and for taking action when performance problems arise.
- The Business Development Support Program will continue to be overseen by the Local Development Corporation and staffed by the St. Louis Economic Development Partnership. The program provides CDBG loans to businesses in the City of St. Louis which create or retain jobs for low and moderate income persons.
- SLDC will continue its operation of the Neighborhood Commercial District Program, providing CDBG grants and loans to eligible businesses and business districts for the rehabilitation or improvement of commercial corridors and small businesses. For more information on the program and to download the application, please visit the SLDC website at <http://www.stlouis-mo.gov/slde>.
- The Planning and Urban Design Agency (PDA) will retain responsibility for the administration of all CDBG-funded planning efforts in the City. PDA effectively provides neighborhood and comprehensive planning, as well as extensive mapping and graphics support, together with preparing the key planning documents that qualify the City to receive CDBG, HOME and other HUD funding.

- CDA will administer and operate a city-wide Healthy Home Repair Program, which provides home repair assistance to low and moderate income homeowners in the City of St. Louis. For the past few years, the program has been operated by community organizations in some parts of the City. This decentralization resulted in administrative and compliance deficiencies and the completion of fewer home repair projects. In 2014 CDA will move back to the fully centralized program to conform to the original HUD design of the Healthy Home Repair Program in 2004, providing one point of contact for citizens.
- SLDC will continue to operate the Land Reutilization Authority (LRA) Maintenance Program. LRA will continue to maintain approximately 11,000 abandoned properties. Many are structures that require board-up and maintenance for the safety and security of City residents. LRA employs a full-time management staff, including several maintenance technicians, who are experienced in vacant building maintenance.
- The St. Louis Area Agency on Aging (SLAAA) will continue to operate the Elderly Services Program, which provides home delivered meals and congregate meals to senior and persons with disabilities. SLAA is the sole City provider under the federal Older Americans Act, and it participates in the state-funded Home Delivered Meals (HDM) program. SLAAA contracts with local senior centers for the daily delivery of catered home delivered meals to over 1,900 City residents. In accordance with HUD guidelines, CDA will require that SLAAA competitively procure service providers who will assist with the preparation of the meals.
- Operation Brightside will continue its city-wide clean-up campaigns to reduce litter and promote beautification throughout the city. CDBG funds will continue to support several programs, including Project Blitz and the Graffiti Removal Program.
- The City of St. Louis Department of Parks, Recreation and Forestry will continue to operate the Expanded Recreation Services Program in low- and moderate-income areas of the City. This program provides a safe environment for youth after school and during the summer, using city parks and recreation centers.
- The City of St. Louis Department of Public Safety, City Counselor's Office and City Court will continue to operate the Problem Property Program, which supports the pursuit of legal remedies to problem properties throughout the City.
- CDA will set aside \$1,000,000 for the Historic Dr. Martin Luther King Corridor Initiative, allowing for continued focus in an area already identified as a target area for investment. Those interested in competing for corridor projects will have the opportunity to apply during a competitive funding cycle to be announced at a later date.
- CDA will set aside \$100,000 for two grants to support the "Better Blocks" program or similar programs to improve neighborhood livability and walkability.
- CDA will set aside \$500,000 to assist the development of a community development financial institution (CDFI) branch the primary purpose of which is to provide banking services to those who reside on the north side of the City, in order to promote economic development, build a tax base and help less affluent people buy homes in their neighborhoods.

Housing production will also undergo a similar, although separate, redesign, resulting in a competitive process early next year. There will be a well publicized application process for

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Housing Production funding in early 2014, coordinated with the City's Affordable Housing Commission. Projects will be selected competitively and evaluated against clear criteria.

We will emphasize projects that are part of multi-year investment programs supported by the Market Value Analysis. Such projects have the potential to attract other investment and will achieve the goals of the Mayor's Sustainability Plan.

Please take advantage of the public comment period to share your thoughts about this package with us via email at CDBG@stlouis-mo.gov. We take your comments and suggestions seriously. We know that although change is exciting, it is often difficult to embrace. But, we have an opportunity to do a better job of rebuilding our community with new planning tools to convince our partners and potential partners, residents and potential residents, employers and potential employers that St. Louis neighborhoods offer a top-notch climate for living, working, investing, philanthropy and excellence.

Thank you for taking the time to help us. Please plan to participate in our workshops and the rest of our application process.

Sincerely,



Jill Claybour
Executive Director