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Economic Development

Date: August 13, 2003
To: Joseph E. Gray, City Manager
From: Mark B. Adelson, Director Housing & Neighborhood Services
Re: HUD Census Data Release

Attached is a spreadsheet showing HUD's latest Low/Mod Estimates based on the 2000 Census data. HUD did not release calculations for the percentage of low/mod residents in Census Tracts, only Block Groups. The far right column is a calculation we did to tabulate the low/mod percentage of each tract.

Census Tracts on the peninsula remain eligible for CDBG funds and Census Tract 20.02 (Libbytown and Stroudwater) becomes a newly eligible Tract with a population that is 51.3% low/mod. There are, however, a few block groups within Tracts that are not eligible on the peninsula. The estimates released by HUD also indicate that, not counting the islands, there are 6 off-peninsula Block Groups with over 51% low/mod residents. HNS staff believe that this is due in part to a larger percentage of the Metropolitan Statistical Area's population living outside of Portland, and having higher incomes, thereby raising the MSA's 80% of median income threshold.

The City of Portland has always chosen to use Census Tracts when looking at what areas are eligible for Low/Mod Area Benefit activities even if, as in 1990, there are eligible block groups within ineligible tracts. The one exception is the islands where islands are separate block groups within a larger census tract and the City has used block group eligibility when allocating CDBG dollars. Peaks Island is now ineligible, but Cliff Island continues to be eligible.

As you know, Portland's entitlement amount of CDBG funds has not increased for several years and a large proportion of the grant is used for social services. For the past several years just a little less than \$1 million has been available to fund physical improvement activities (sidewalks, parks, streets, sewers), as well as outside improvements such as St. Lawrence Church rehabilitation. If the City were to suddenly change course and fund area benefit activities in eligible block groups, few if any projects could be fully funded in any one year. This approach would result in spreading a thin veneer of CDBG funds over a wider geographic area with very little year to year impact. It would also adversely impact our ability to draw down grant funds in a timely manner. Timeliness is a very high priority at HUD and we have to monitor our spend down rate regularly.

Staff recommends making a minor change whereby CDBG funds could only be used in eligible block groups within eligible census tracts (except for Cliff Island). This would ensure that CDBG funds are carefully targeted to those areas of the city with the highest concentration of low and moderate income people. It would reduce the areas on Munjoy Hill where CDBG funds can be used, but improvements for Jack School with its low/mod student population would be eligible. It would maintain the ineligibility of Stroudwater and the Western Prom neighborhood which are clearly not low/mod areas.

HNS staff are available to discuss the new HUD data release and how it might affect the 2004/5 HCD budget and those budgets to follow.

Attach

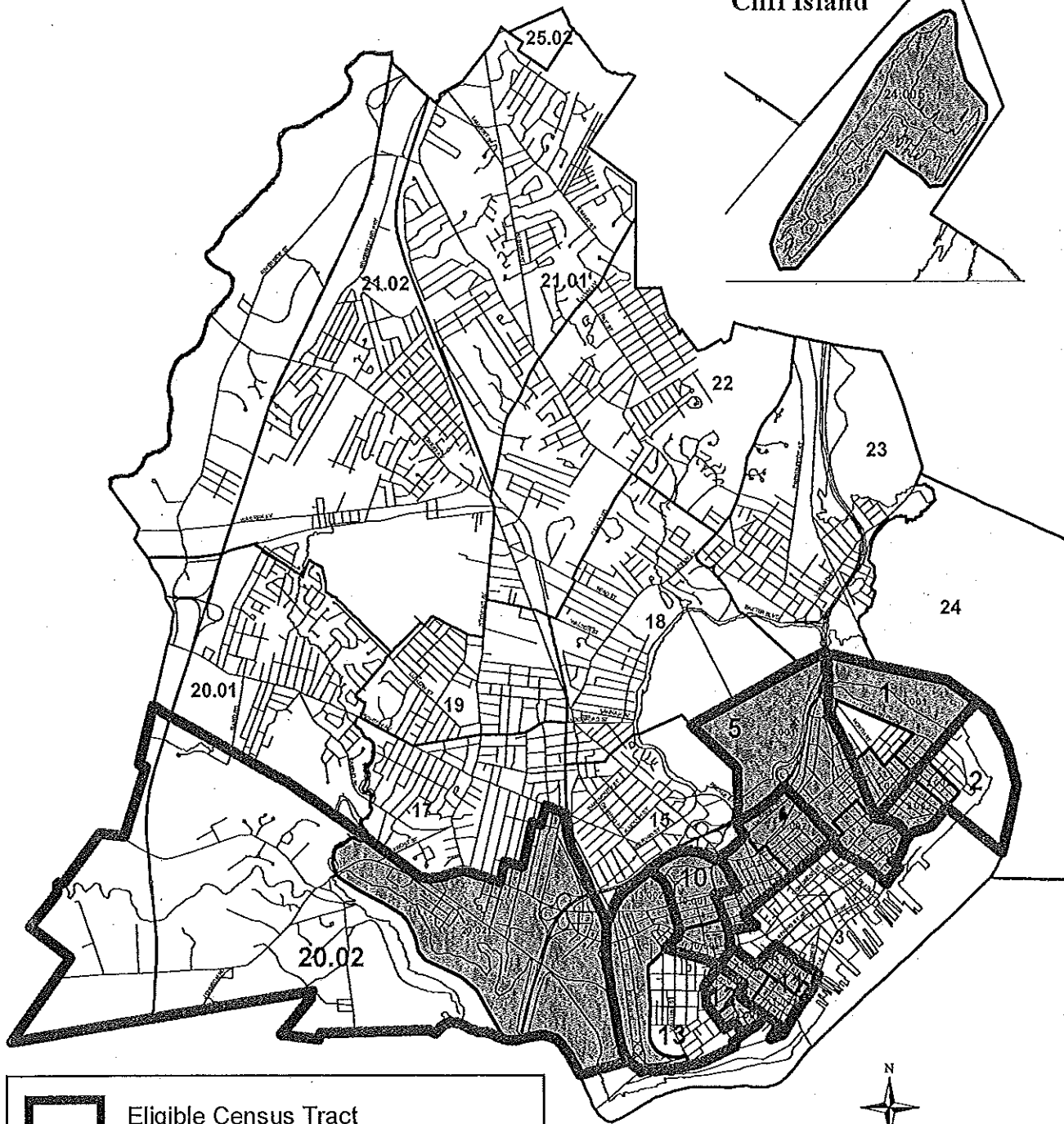
cc: Lee Urban
Mark Adelson
Debra Marquis

City of Portland, Maine

Eligible Blockgroups within Eligible Tracts

August 2003

Cliff Island



Map produced by the City of Portland's Department of Planning & Development and the GIS Workgroup