

ITEM #: 52
 DATE: 06-13-23
 DEPT: P&H

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON THE STATUS OF FUNDED ACTIVITIES (SOFA) IN CONNECTION WITH THE CITY OF AMES 2022 COVID-19 CARES ROUND 2 GRANT FUNDS THROUGH THE IOWA ECONOMIC DEVELOPMENT AUTHORITY (IEDA)

BACKGROUND:

As part of the Coronavirus Pandemic (COVID-19) Relief and Recovery funding, the U.S. Department of Housing and Urban Development (HUD) awarded the State of Iowa an additional allocation (Round 2) of CDBG-CV funds in the amount of \$9,506,040. In turn, the State of Iowa, through the Iowa Economic Development Authority (IEDA) notified the City of Ames that it would be eligible to receive \$604,386 of these funds.

On July 20, 2022, IEDA awarded the City of Ames the full CARES Round 2 Funding in the amount of \$604,386 for the following projects: Food distribution/meal delivery for the elderly and facility-based daycare services on behalf of the following agencies: ChildServe, University Child Care (UCC)-ISU, Ames Community Preschool Center (ACPC), and the Mid-Iowa Community Action Agency (MICA).

As a requirement of this grant funding, the City is required to hold a public hearing to provide a Status of Funded Activities (SOFA) report regarding the projects funded with the CARES (COVID-19) Round 2 grant funds. The initial funded activities and budget were as follows:

IEDA CDBG CARES (COVID-19) Assistance Program-Round 2		
Agency	Activity	Amount of Request
ChildServe	Kitchen and appliances remodel; Additional infant childcare classroom; technology and preschool curriculum.	\$130,000
University Child Care (UCC)-ISU	Installation of new HVAC, various outdoor STEM playground equipment, and small renovation of kitchen to install two commercial-size kitchen ovens with hoods, countertops and cupboards, and a freezer.	\$200,932
Ames Community Preschool Center (ACPC)	Renovation of an existing space to create an Infant Program that will include: new flooring, new window, refrigerator, double sinks, cabinetry for storage, painting, creation of a nursing room, and purchase of cribs and toys	\$156,500
MICA	Mini cargo van for grocery deliveries	\$30,000
Subtotal-1		\$517,432
Budget Contingency		44,500
Administration		\$42,454
Grand Total		\$604,386

However, one of the agencies, ChildServe, was unable to provide data that 51% of their clients served were at or below the 80% LMI limits as required by IEDA for grant funding, and they were unlikely to meet this threshold requirement. Due to this IEDA standard, they are not able to continue as sub-recipient of the funding. Therefore, the budget was administratively reallocated to the other recipients as outlined below:

IEDA CDBG CARES (COVID-19) Assistance Program-Round 2		
Agency	Activity	Amount of Request
University Child Care (UCC)-ISU	Installation of new HVAC, various outdoor STEM playground equipment, and small renovation of kitchen to install two commercial-size kitchen ovens with hoods, countertops and cupboards, and a freezer.	\$250,932
Ames Community Preschool Center (ACPC)	Renovation of an existing space to create an Infant Program that will include: new flooring, new window, refrigerator, double sinks, cabinetry for storage, painting, creation of a nursing room, and purchase of cribs and toys.	\$206,500
MICA	Mini cargo van for grocery deliveries	\$60,000
Subtotal-1		\$517,432
Contingency		\$44,500
Administration		\$42,454
Grand Total		\$604,386

Each agency was required to sign a sub-recipient agreement (prepared by our Legal Department) that mirrors the contractual obligations and requirements that IEDA has required of the City of Ames. In addition, each sub-recipient agreement includes language that will obligate each agency to continue the operation of their services for a minimum of 5 years after the grant closeout. Failure to comply will require each agency to repay the City of Ames all grant funds provided in the sub-recipient agreement.

Each agency will be required to collect monthly data to ensure that at least 51% of the clients they serve are at 80% or below the Ames Metropolitan Statistical (AMS) Income Limits as established by HUD. To ensure compliance with state and federal procurement requirements, City staff is responsible for the administration of each of the activities for each agency.

In the fall of 2022, staff began working with each agency to complete their project activities

in order to meet the state's 80% expenditure requirement of funds by May 31, 2023. However, in May, HUD notified the state and entitlement communities of COVID-19 CARES funding that the 80% expenditure requirement had been removed. This allows for the City's funding agreement with IEDA to extend the spending deadline to December 31, 2023.

To date, the status of each activity and budget is outlined below:

Subrecipient Name	Original Budget	Revised Budget	Rationale and Reasons for Budget Revisions	Status
MICA	\$30,000	\$60,000	The reason for the request is that initially, we were unsuccessful in securing a bid to purchase a new mini cargo van that could be delivered within the timeline of the grant requirements. We attempted a second bid to purchase a slightly used mini cargo van; during the second attempt, a new, slightly bigger van became available that would arrive within the grant timeline. However, the cost of the van increased to over \$50,000. Along with some necessary upgrades (i.e., step runner and adding shelving for groceries), the cost increased to approximately \$60,000.	COMPLETED
ChildServe	\$130,000	\$0.00	The reason for the request is that ChildServe was unable to document that 51% of the families they were serving would meet the LMI threshold. Therefore, the agency was unable to be funded. The budgeted funds were reallocated to the other agencies.	COMPLETED
ACPC (Public Facilities)	\$156,500	\$120,000	The City was asked to identify and separate the amount of the budget for ACPC that is being used for the actual remodeling of the room into the infant space from the infant furniture, storage units, toys, and other infant supplies.	90% COMPLETE
ACPC (Public Services)	\$0	\$40,000	This budget revision represents the amount that has been set aside to acquire a freezer, infant furniture, storage units, toys, and other infant supplies that are not part of the infant room remodel, which is the non-Public Facilities portion of the project.	70% COMPLETE
UCC (Public Facilities)	\$200,932	+\$0.00	The reason for this budget revision is that initially, UCC requested funds to install a new HVAC system for the building, a kitchen remodel to install double ovens, a freezer, and new playground equipment. Unfortunately, we are unable to come to an agreement for the bidding and installation of the HVAC and Kitchen remodel. Therefore, these items were removed from the project budget.	COMPLETED
UCC (Public Services)	\$0	+\$60,929	This budget revision represents the amount that has been set aside to acquire the playground equipment, storage bins, and freezer that is the non-Public Facilities portion of the project.	COMPLETED
Budget Contingency	\$ 44,500	\$0.00	A budget contingency was set aside at the beginning to ensure there were funds in case any of the project costs needed to increase.	COMPLETED
Subtotals	\$561,932	\$280,929	-----	-----
Administrative	\$42,454	\$42,454	No Change	-----
Grand Totals	\$604,386	\$323,383	Budget Adjustments	-----

In summary, the City anticipates spending approximately \$323,383 (54%) of the \$604,386 CARES COVID-19 Round 2 grant funds awarded through IEDA. This special allocation of CARES COVID-19 funds provided the City an opportunity to address the unmet infant daycare and food distribution needs in the community regarding a preventative response to current and future COVID-19 Pandemics.

Although there is approximately \$281,000 of uncommitted funds, identifying other opportunities to spend the funds will be very difficult within the remaining allotted time (Funds must be expended by December 31, 2023). The process of funding an

additional project that meets the program objective of serving low and moderate income clientele related to food service or daycare would require an new request for proposals. If a qualified project is selected, it would require entering into an agreement, completing environmental review for the project, if necessary, using a public bidding procurement process to purchase equipment or to complete construction work, and completing of the project must be done by the end of the year. Staff does not believe it is feasible to accomplish all of these steps in a timely manner and, therefore, does not recommend pursuing additional projects.

ALTERNATIVES:

1. City Council can adopt a resolution accepting the Status of Funded Activities (SOFA) in connection with the City of Ames 2022 COVID-19 CARES Round 2 grant funds through the Iowa Economic Development Authority (IEDA)
2. City Council can decline to adopt a resolution accepting the Status of Funded Activities (SOFA) in connection with the City of Ames 2022 COVID-19 CARES Round 2 grant funds through the Iowa Economic Development Authority (IEDA)

CITY MANAGER'S RECOMMENDED ACTION:

Staff has completed work with the prospective recipients to maintain consistency with requirements of the program. Based upon the time remaining for expenditure of the funds, staff believes the committed funding will be spent in accordance with state and HUD requirements. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, as described above.