

COUNCIL ACTION FORM

SUBJECT: THIRD SUBSTANTIAL AMENDMENT TO COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2019-20 ANNUAL ACTION PLAN

BACKGROUND:

On April 2, 2020, in response to the Coronavirus Pandemic (COVID-19), the U.S. Department of Housing and Urban Development (HUD) notified the City that it will receive a special allocation of Community Development Block Grant (CDBG-CV) funds in the amount of \$354,515 to be used to prevent, prepare for, and respond to COVID-19. This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

On September 11, 2020, HUD notified the City that it will receive a **third special allocation round** of CDBG-CV funds in the amount of \$356,455 authorized by the CARES Act to again be used to prevent, prepare for, and respond to COVID-19.

Both rounds of the CARES Act funds are only available for “eligible activities” meeting the national objectives of the CDBG-CV program and responding to the spread of infectious diseases such as COVID-19. To expedite implementation of this funding, the typical 30-day public comment process has been reduced to a 5-day comment period by HUD. **The comment period began on Thursday, January 21, 2021 and ended on Monday, January 25, 2021.**

Staff initially sought public input in April from citizens within the community, private for-profit enterprises, and not-for-profit organizations regarding the distribution of CARES funding. After considering the public input and conversations with human services agencies, financial institutions, the local housing trust fund, utility companies, medical institutions, other entitlement communities, and past CDBG programming, **staff proposed and City Council approved utilizing the first round of funding to accomplish three programs: 1) Rent, Mortgage, and Utilities Relief Assistance.**

To date, round one funds have assisted approximately 104 households. Approximately \$335,510 has been distributed as follows: Rent: 49 households, Mortgage: 6 households, and Utilities: 49 households (44 renters; 5 homeowners). There are approximately 25-35 households that have applied for assistance and more inquires occurring every day from both landlords and tenants.

Staff was recently contacted by various human services agencies inquiring if the City program would continue due to the on-going need of households in the community. (See Attachment 2 for public comments received). **Therefore, staff is proposing to continue implementation of the above programs with the third round of CDBG CARES (COVID-19) funding from HUD. Staff’s rationale for continuing these activities is as follows:**

- The activities will continue to meet some of the goals of the CARES Act funding, which is to be used to prevent, prepare for, and respond to the Coronavirus (COVID-19)
- They involve approaches that prioritize the unique needs of low and moderate-income persons as outlined in the Act
- They will allow the City to continue to develop partnerships between all levels of government and the private for-profit and non-profit sectors
- They have proven successful over the past 10 months of program implementation in assisting families and households with the very basic needs of retaining their housing.

Staff has prepared the proposed Third Substantial Amendment to the City's CDBG 2019-20 Annual Action Plan and Budget to continue to implement the Renter and Homeowners Relief Assistance Program that can be viewed at www.cityofames.org/housing. The proposed budget for revenue and expenses is shown as Attachment 1.

ALTERNATIVES:

1. Approve the 3rd Substantial Amendment to the City's CDBG 2019-20 Annual Action Plan that incorporates a third special allocation round of CDBG CARES Act funding in the amount of \$356,455 to continue implementing the COVID-19 Rent, Mortgage, and Utilities Relief Assistance Programs , and approve submittal of the Action Plan to HUD for its approval on or by January 31, 2021.
2. Approve the 3rd Substantial Amendment to the City's CDBG 2019-20 Annual Action Plan that incorporates a third special allocation round of CDBG CARES Act funding in the amount of \$356,455 to continue implementing the COVID-19 Rent, Mortgage, and Utilities Relief Assistance Programs , and approve submittal of the Action Plan to HUD for its approval on or by January 31, 2021, with modifications.
3. Refer the item back to staff for further information.

CITY MANAGER'S RECOMMENDED ACTION:

This third special allocation round of funds was an unexpected opportunity to continue to address some needs and opportunities in the community regarding the COVID-19 pandemic. As with all federal funding, the grant monies come with requirements that must be addressed. The requirement to address the Duplication of Benefits (DOB) is one that will still have to be closely monitored when implementing any program activity. Also, the current program guidelines will need to be updated to reflect any additional HUD regulations and waivers and additional eligibility guidelines for processing applications.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, as described above. .

ATTACHMENT 1

PROPOSED	
3rd AMENDMENT 2019-20 Action Plan Activities and Expenditure Budget:	
Activities	Budget
COVID-19 Renters Relief Assistance (Rent, Utilities)- Round 3	\$291,164
COVID-19 Homeowners Relief Assistance (Mortgage, Utilities) -Round 3	\$35,291
COVID-19 Renters Relief Assistance (Rent, Utilities)- Round 1	\$305,425
COVID-19 Homeowners Relief Assistance (Mortgage, Utilities) -Round 1	\$42,000
Acquisition/Reuse Program for Public Facilities -Shared Use Path (148 S. Franklin)	\$400,000
Homebuyer Assistance Program	\$300,813
Public Infrastructure Improvements Program for State Avenue NRSA (including Engineering costs+ GO Bond)	\$763,745
Acquisition/Reuse Program for Affordable Housing	\$10,000
Rehabilitation/Disposition of 241 Village Drive	\$45,000
Demolition of 3305 Morningside	\$16,070
HOME Homeownership Construction Program	\$923,976
General Administration for CDBG & HOME	CARES 1: \$7,090 CARES 3: \$30,000 CDBG: \$116,241 HOME: \$120,947
Total	\$3,407,762
PROPOSED 3RD AMENDED 2019-20 Action Plan Revenue Budget:	
2019-20 CDBG-CV (CARES ACT-COVID-19) Round 3	\$356,455
2019-20 CDBG-CV (CARES ACT-COVID-19) Round 1	\$354,515
2019-20 CDBG Allocation	\$581,207
2018-19 CDBG Anticipated Program Rollover	\$462,820
2019-20 CDBG Anticipated Program Income	\$357,842
Non-CDBG Revenue-GO Bonds	\$250,000
2019-20 HOME Allocation	\$481,968
18-19 HOME Anticipated Program Rollover	\$747,750
Adjustment for HOME CHDO Set-Aside	-\$184,795
Grand Total CDBG, HOME & CDBG-CV	\$3,407,762

ATTACHMENT 2

Public Input Comments

“Need to attach Pdf’s”