

COUNCIL ACTION FORM

SUBJECT: REQUEST FOR PROJECTS IN CONJUNCTION WITH CDBG-CV ROUND 2 CARES FUNDING THROUGH THE STATE OF IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT AUTHORITY (IDEA)

BACKGROUND:

As part of the federal Coronavirus Pandemic (COVID-19) Relief and Recovery funding, **staff's priority was to administer the City's CDBG-CARES-CV funds (Rounds 1 and 3) to first ensure that 80% of our direct allocation of funds of \$710,970 would be spent addressing one of our community's most urgent needs. These needs included providing rent, mortgage, and utility assistance to low-income households about to face eviction, foreclosure, and/or utility disconnections.** In addition, staff ensured that our annual CDBG and HOME programs were being administered to meet our timeliness expenditure requirements. Now that those programs have been addressed, staff is ready to launch a project to expend the additional CARES (Round 2) funding through Iowa Department of Economic Development Authority (IDEA).

In May 2020, the U.S. Department of Housing and Urban Development (HUD) informed the State of Iowa that it would receive an additional allocation (Round 2) of CDBG-CV funds in the amount of \$9,506,040. **Based on a formula using the data from the 2018 American Community Survey (ACS), the state notified the City of Ames that it would receive \$604,386 of these funds.** At least 70% of funds must be used to benefit low-income persons (elderly and needy children, housing market disruptions, and reducing virus transmission and can be utilized in entitlement areas).

This funding is very similar to the CDBG-CARES-CV funds that the City of Ames received directly from HUD, in that the City has to spend 80% of the funds by July 2023 and the balance must be spent by July 2025. The CARES programs also require detailed verification of COVID-19 impacts and verification of recipients having no Duplication of Benefits. There is no comment period required for the proposed programming other than the notice of public hearing at the time of final approval.

In recent meetings with IDEA staff, they encouraged the City to expend these funds quickly and to focus on small prevention through service capacity building and or facility expansion types of projects. Housing Division staff with assistance from the Assistant City Manager, reviewed services provided by ASSET-funded agencies as well other potential community organizations to determine a list

of specific groups that provide services in the areas of food distribution, meal delivery for the elderly, and facility-based daycare. Staff recommends supporting these types of programs due to the feasibility and the need in the community.

If City Council supports staff's recommendation for use of these Round 2 funds, a workshop will be held for related organizations describing grant eligible activities and soliciting grant applications. Once we receive applications, staff will return to City Council to approve the potential grantees and then submit the final application the state for approval. This process is expected to occur over the next few months with funds being potentially available in late calendar year 2022.

ALTERNATIVES:

1. City Council can approve a motion directing staff to proceed with hosting a grant application workshop and request funding proposals from area organizations that provide services such as food distribution, meal delivery for the elderly, and facility-based daycare services for potential funding through the CDBG-CV Round 2 CARES Program administered by IDEA.
2. City Council can approve a motion directing staff to proceed with hosting a grant application workshop and request funding proposals from area agencies that provide services such as food distribution, meal delivery for the elderly, and facility-based daycare services for potential funding through the CDBG-CV Round 2 CARES Program administered by IDEA with modifications.
3. City Council can decline to proceed with Round 2 programming and return the money to the state.

CITY MANAGER'S RECOMMENDED ACTION:

This special allocation of funds is an opportunity to address some smaller targeted needs and opportunities for organizations in our community affected the COVID-19 Pandemic. One of the main challenges in creating an effective program in this reduced timeframe is deciding the prioritization of how funds will be distributed. The amount of funding available, \$604,386, is not a large amount of money in comparison to the potential needs in the community, but likely sufficient to address the needs of these specific types of services.

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