



Department Source: Finance
To: City Council
From: Community Development Department
Council Meeting Date: April 19, 2021
Re: Potential Uses of Reserve Funds

Executive Summary

This memo provides an overview of a proposed approach for allocating \$3.05 million in excess Council Reserve funds. This memo also specifically addresses a Council request for the Housing Programs Manager and Human Services Manager to prepare plan to allocate resources to address public assistance needs resulting from the Pandemic. The report includes a comprehensive list of uses of reserve funds. The methodology for staff formulating recommendations is an approach to balance distributing funds expediently to meet existing needs, while utilizing an existing funding process to reduce administrative costs for both City staff and local nonprofit service providers.

Discussion

The Housing Programs Division recently completed a comprehensive funding process for CDBG-CV Round 3 funding. The process included extensive public engagement, vetting of proposals and public hearings through both the Housing and Community Development Commission and the City Council. The process included CDBG funding recommendations for a variety of nonprofit organizations that reach a diversity of populations and demographics in Columbia. The CDBG-CV Round 3 funding allocation total was \$797,588 for all projects funded, however there was \$1,749,588.92 in total requests.

Staff recommends that a combination of excess City reserve funds and CDBG-CV funding be utilized to fulfill all CDBG-CV Round 3 requests. This approach will allow for the expedient, fair, and transparent distribution of the \$1.3 million in reserves by utilizing an existing pandemic relief funding process for which both the Housing and Community Development Commission and the City Council have reviewed and vetted proposals. Staff estimates that conducting a new process would require roughly 120 hours of additional staff time and 20-30 hours of time per each proposing organization. Local service providers are also experiencing high demand for services and utilizing the CDBG-CV Round 3 process will provide relief to the providers from the burden of applying through a new process.

Staff is also recommending allocating CDBG and reserve funds in a manner that distinguishes projects and organizations best fit for the associated funding source and department responsibilities. A draft list is included as Attachment 1. It is important to note the recommendations do not change approved CDBG funding allocations for the overall project categories by greater than 10%. If a budget change affects CDBG funding by great than 10%, then a substantial amendment would be triggered for CDBG funds. Staff recommends avoiding triggering a substantial amendment due to the process taking up to 60 days to complete, which will slow our response in meeting critical community needs.



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Staff recommendations also to include additional funding in the areas of affordable housing and homelessness, which have been identified as areas of high need and high priority through public input and engagement processes. These recommendations include funding for land acquisition for the Columbia Community Land Trust and funding to enhance the Public Health and Human Services Department's utility assistance programs. Also included are recommendations for funding for meeting homeless shelter needs and planning for a comprehensive homeless service center.

In addition, Staff proposes the use of \$300,000 for a wage and benefit study to be conducted in the current fiscal year, as well as \$650,000 for Public Safety overtime expenses (\$550,000 Fire, \$100,000 Police) incurred in the current fiscal year, and \$400,000 for an Entertainment Business Assistance Program that would include:

- Business License and Health Inspection Rebate Program
 - Rebate for 2020 licensing fees for Restaurants and Bars
- Hotel/Motel and Concert Venue reimbursement for COVID related expenses

Fiscal Impact

Short-Term Impact: None.
Long-Term Impact: None.

Strategic & Comprehensive Plan Impacts

Strategic Plan Impacts:

Primary Impact: Social Equity, Secondary Impact: Economy

Comprehensive Plan Impacts:

Primary Impact: Economic Development, Secondary Impact: Livable & Sustainable Communities

Legislative History

Date	Action
March 15, 2021	Council requested the Human Services Manager and Housing Programs Manager formulate a plan for distributing \$1.3 million in excess reserve funding for meeting public assistance needs.

Suggested Council Action

Review the report and provide considerations for staff.