



Department Source: Community Development - CDBG/Home

To: City Council

From: Community Development Department

Council Meeting Date: December 7, 2020

Re: Community Development Block Grant CARES Act (CDBG-CV) Round 3 Funding Update

Executive Summary

This memo provides an update on the City of Columbia's Community Development Block Grant CARES Act (CDBG-CV) Round 3 CDBG funding allocation process.

Discussion

The City of Columbia was awarded \$737,588 in additional Round 3 CDBG-CV funding authorized through the CARES Act. The CARES Act was signed into law on March 27, 2020 in direct response to the impact of the COVID-19 Pandemic. CDBG-CV funding must be allocated for activities that directly address the impacts of COVID-19. The legislation included \$5 billion in CDBG-CV funding to be allocated in 3 rounds as follows:

Round 1: \$2 billion traditional formula allocation to entitlement jurisdictions

Round 2: \$1 billion to states based upon HUD determined formula for the impact of COVID-19

Round 3: \$2 billion to entitlement jurisdictions based upon the impact of COVID-19

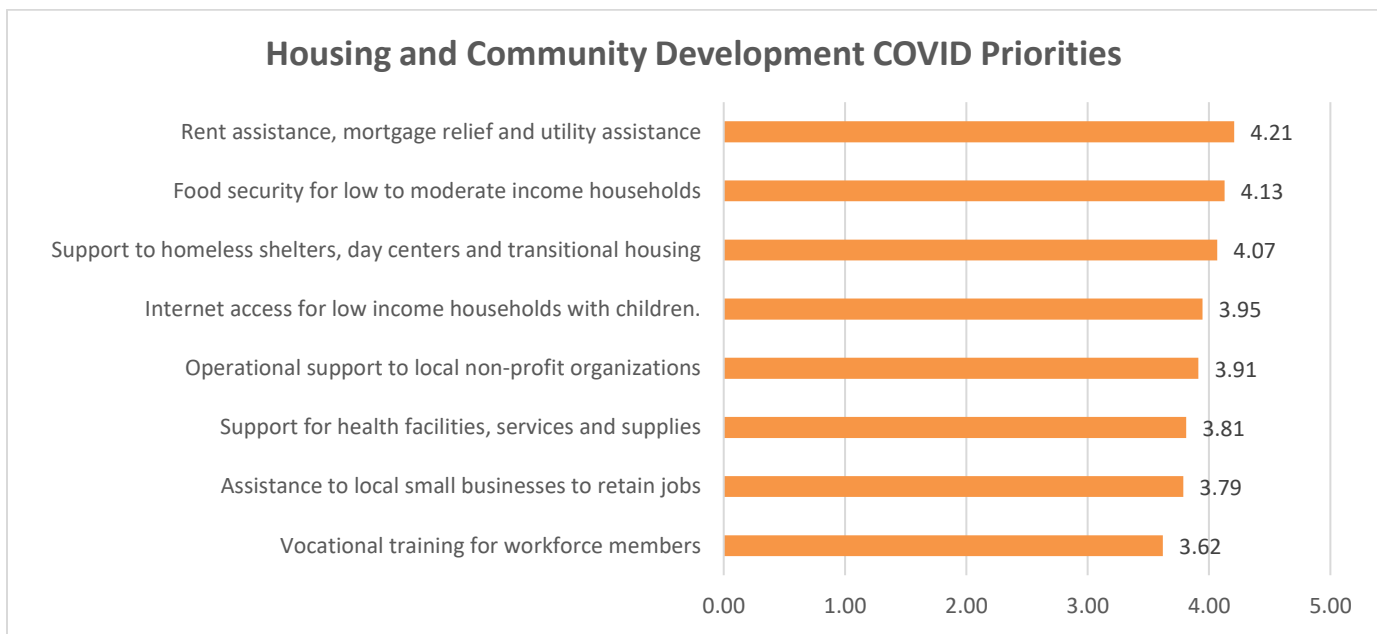
The City of Columbia received \$573,473 in Round 1 CDBG-CV funds. Both City Council and HUD previously approved the City's Round 1 CDBG-CV funding allocation plan. City Council also previously approved amending FY 2019 and FY 2020 CDBG and HOME funding to assist with additional responses to the impact of COVID-19 and long term recovery efforts. A comprehensive list of previously approved CDBG-CV, FY 2019/2020 CDBG and HOME funding allocations for response to the impacts of COVID-19 are as follows:

Category	Activity	CDBG-CV	FY 2019 CDBG	FY 2020 CDBG	FY 2020 HOME	Total
Housing & Homelessness	Rent and Mortgage Assistance	\$270,000				\$270,000
	Tenant-Based Rental Assistance				\$300,000	\$300,000
	Homelessness, shelter & quarantine	\$70,000				\$70,000
Small Business Assistance	Microenterprise Recovery Loan Program	\$175,000	\$90,000			\$265,000
	Small Business Recovery Loan Program			\$400,000		\$400,000
	Administration	\$58,473				\$58,473
Total		\$573,473	\$90,000	\$400,000	\$300,000	\$1,363,473

Round 2 HUD allocations provided \$17,913,300 in CDBG-CV funds to the state of Missouri. The federal legislation does allow these funds flowing through the state to be allocated to entitlement jurisdictions such as the City of Columbia; however, the State has not yet released any information on process or funding priorities.



The CDBG-CV Round 3 funding award for the City of Columbia is \$737,588. Housing Programs Division (HPD) staff conducted additional public engagement to ensure community driven priorities will assist in shaping funding recommendations. The public engagement process has included a public hearing at the October 21st Housing and Community Development (HCDC) meeting for the purpose of obtaining public feedback on housing and community development needs related to the impact of COVID-19. HPD staff began administering a survey on funding priorities for Round 3 CDBG-CV throughout October and November. The survey included a rating of HUD eligible funding priorities and needs for use of CDBG-CV funding and will remain open through the first two weeks of December. Respondents are asked to rate a list of needs on a scale of 1 to 5 with five identifying very high priority rating. Survey results to date are as follows:



Staff also utilized local community volunteers to conduct a series of virtual public engagement sessions on October 28th and 29th. The virtual public engagement sessions included 27 participants. Much of the feedback aligned with the survey topics and associated ratings. Videos of the group meetings are also posted on the HPD webpage of the City website. Virtual public engagement sessions included the following questions:

1. *How has the COVID-19 pandemic impacted your household's ability to manage your daily life responsibilities?*
2. *What housing and community development needs have been amplified the most by the impact of the COVID-19 pandemic? What type of support is most critical to helping low to moderate income households adapt and become more resilient to the pandemic?*
3. *What is your hope for our City's future as we continue to work through this crisis and become more resilient as a community?*



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The primary role of the Housing and Community Development Commission (HCDC) has historically been to provide recommendations for CDBG and HOME funding to the City Council. The HCDC has been conducting the following process timeline for developing funding recommendations for Round 3 CDBG-CV funding.

October 5th: Council report for funding process considerations

October 11th: Public Hearing notice HCDC

October 21st: HCDC Public Hearing: CDBG-CV funding priorities

October 28th or 29th: Public Engagement Focus Groups

November 18th: HCDC Meeting: Consideration of RFP(s) to be Released

December 7th: Council Report and Update on RFP Approach and Funding Priorities

December 16th: HCDC Meeting: Funding Recommendations

December 20th: Public Notice to begin 30-day comment period

January 4, 2021: Council considers setting hearing for CDBG-CV Round 3 Allocation Plan

January 18, 2021: Council Considers CDBG-CV Round 3 Allocation Plan and Amendment to FY 2019 Annual Action Plan

January 19, 2021: CDBG-CV Round 3 Plan Submission to HUD

February 4, 2021: Estimated date of HUD approval

March 1, 2021: Estimated project agreement for Council consideration for projects exempt or categorically excluded and not subject to NEPA and 24 CFR Part 58 Environmental Review Procedures

April 5, 2021: Estimated project agreement for Council consideration for projects subject to NEPA and 24 CFR Part 58 Environmental Review Procedures

May 3, 2021: Estimated project agreement for Council consideration for projects subject to NEPA and 24 CFR Part 58 Environmental Review Procedures and requiring full environmental assessment.

Annual CDBG and HOME allocations are guided by funding percentages identified within the Council Policy Resolution for CDBG and HOME. This policy framework has assisted in ensuring funds are allocated in a strategic manner that also align with community identified priorities. The HCDC is taking a similar approach in developing funding recommendations for Round 3 CDBG-CV funding. A significant portion of City funds, County funds and other federal funds have been provided to local small businesses, therefore staff and the HCDC is recommending removing small business assistance as a priority for Round 3 CDBG-CV funding. City staff and the HCDC formulated funding percentages for guiding allocation recommendations that are also based upon survey feedback and public engagement sessions:



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CDBG-CV Funding Allocation Percentages		
Funding Category	Min	Max
Administration	10%	18%
Rent, mortgage and utility assistance	0%	50%
Food security	0%	40%
Homelessness	0%	35%
Education and childcare access	0%	25%
Vocational training	0%	25%

The HCDC has included these funding allocation priorities in a CDBG-CV Round 3 Request for Proposals (RFP) for qualified local non-profit organizations to submit funding requests. Note that "Education and child care access" is the HCDC suggested term for the "Internet access" need identified in the survey. An RFP has been issued under the following schedule:

November 20, 2020: Release the RFP

November 24, 2020: RFP Informational Meeting for Interested Application Organizations

December 11, 2020: RFP Due 11:49pm

December 16, 2020: HCDC Funding Allocations Meeting

The HCDC will vote on funding recommendations at its December 16, 2020 meeting and those recommendations will then go before Council as an amendment to the FY 2019 Annual Action Plan in January and February of 2021. The U.S. Department of Housing and Urban Development (HUD) Waiver for 30 comment periods due to the COVID-19 Pandemic is no longer valid; therefore the City must conduct a 30 day public comment period as a part of Council's final approval.

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



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Legislative History

Date	Action
July 6, 2020	Council approval of Round 1 Funding Allocation Plan within an Amendment to the City's FY 2019 Annual Action Plan.

Suggested Council Action

Review the report and provide considerations for staff and the Housing and Community Development Commission regarding funding priority percentages, process and timeframe.