



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: July 6, 2020

Re: Consider Amendment #3 to the FY 2019 CDBG and HOME Annual Action Plan
Incorporating Round 1 CDBG –CV Funds Allocated Through the CARES Act

Executive Summary

The City's amended Citizen Participation Plan and HUD guidance and waiver of public comment period regulations allow for a substantial amendment to annual action plans by conducting a public hearing and 5 day comment period through the Housing and Community Development Commission. HUD guidance has directed cities to incorporate CDBG-CV funds allocated through the Coronavirus Aid, Relief and Economic Security (CARES) Act as a substantial amendment to their FY 2019 Annual Action Plans. Round 1 CDBG-CV funds include \$573,473. Funding must be allocated to prevent, prepare and respond to needs directly related to the impacts of the COVID-19 Pandemic.

Discussion

The City of Columbia has been awarded \$573,473 in CDBG-CV funds through the Coronavirus Aid, Relief and Economic Recovery (CARES) Act. These funds were allocated by Congress on March 27, 2020 in direct response to the impact of COVID-19. CDBG-CV funding must be allocated for activities that directly address the impacts of COVID-19. The legislation calls for \$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

So far, HUD has allocated Round 1 and 2. Round 1 will provide \$573,473 to the City of Columbia to be allocated to needs arising from the impacts of COVID-19. Round 2 has 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 is still determining the allocation process and timeline.

HUD has encouraged communities to be gaining public input and amending their citizen participation plans to align with the waivers. City Council has amended the CDBG and HOME Citizen Participation Plan to allow for virtual access and 5 day public comment periods.

With the assistance of local community volunteers, City staff also held 5 virtual public engagement sessions on April 21st and 22nd related to how the City should respond to the



City of Columbia

701 East Broadway, Columbia, Missouri 65201

impact of COVID-19 with CDBG funding, 35 participants and 4 facilitators helped with this effort. Common themes included a concern for rent/mortgage/utility assistance, homeless populations, low income families and children, local small businesses and local minority owned businesses. Detailed meeting minutes from those meetings are located on the Housing Programs Division City web page.

City staff also conducted a public survey relating to CDBG-CV funding priorities to address the impact of COVID-19. Staff received feedback from 226 individuals on priorities for use of CDBG CARES Act funding. All priorities ranked high, but priorities were identified as follows in rank order:

1. Financial support for workforce and LMI households (rent, mortgage, utilities).
2. Loans and financial assistance to local small businesses to retain/create jobs.
3. Addressing the immediate health crisis.
4. Operational capacity to local non-profits to meet increased demand.

The Housing and Community Development Commission (HCDC) held its first meeting since the pandemic on May 20th. HCDC members were updated with information on the CARES Act, CDBG-CV, Micro-Enterprise Program, Small Business Recovery Loan Program and data being collected through Emergency Support Function (ESF) 14 under the Boone County Emergency Operations Plan.

The HCDC released a Request for Proposals for the top priority need identified, Rent and Mortgage Assistance. The HCDC received 1 proposal and has recommended proceeding with funding the Voluntary Action Center. The Commission also identified the Micro-Enterprise Program and funds for public services to homeless populations as high priorities. City staff was informed on June 11, 2020 that planning and administration costs were eligible under CDBG-CV funds, therefore staff is recommending additional funding to allow for the hiring of a 1 year grant funded position. HCDC funding recommendations to Council for use of CDBG-CV Round 1 are as follows:

- \$270,000 Rent and Mortgage Assistance
- \$175,00 Micro-Enterprise Program
- \$70,000: Public Services to Address Homelessness: Shelter, Isolation and Quarantine, PPE and Operational Support
- \$58,473: Planning and Administration Costs Allowed Under CDBG-CV

Fiscal Impact

Short-Term Impact: Allocates \$573,473 CDBG-CV funds

Long-Term Impact: Enter the cost of proposed legislation to the city for years **beyond two**.



Strategic & Comprehensive Plan Impacts

[Strategic Plan Impacts:](#)

Primary Impact: Social Equity, Secondary Impact: Infrastructure, Tertiary Impact: Economy

[Comprehensive Plan Impacts:](#)

Primary Impact: Livable & Sustainable Communities,

Legislative History

Date	Action
10/7/2014	City Council adopted the 2015-2019 CDBG and HOME Consolidated Plan and 2015 Annual Action Plan.
6/17/2019	Council approved the FY 2019 Annual Action Plan.
4/6/2020	Council approved amendment 1 and 2 to the FY 2019 Annual Action Plan.
5/4/20	Council amended the Citizen Participation Plan

Suggested Council Action

Approve the Amendment #3 to the FY 2019 Annual Action Plan.