



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: January 4, 2021

Re: Setting a Hearing to Consider an Amendment #4 to the FY 2019 CDBG and HOME Annual Action Plan Incorporating Round 3 CDBG –CV Funds Allocated Through the CARES Act

Executive Summary

HUD guidance has directed cities to incorporate CDBG-CV funds allocated through the Coronavirus Aid, Relief and Economic Security (CARES) Act as substantial amendments to their FY 2019 Annual Action Plans. Round 1 CDBG-CV funds included \$573,473 and was approved by Council in July 2020. Round 2 was distributed to states. Round 3 included \$737,588 in additional CDBG-CV funding through the CARES Act. Funding must be allocated to prevent, prepare and respond to needs directly related to the impacts of the COVID-19 Pandemic. This Council action is to set a hearing to consider allocation plans for \$737,588 in CDBG-CV Round 3 funds and reallocation of \$60,000 in CDBG-CV Round 1 funds.

Discussion

The City of Columbia was awarded an additional \$737,588 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

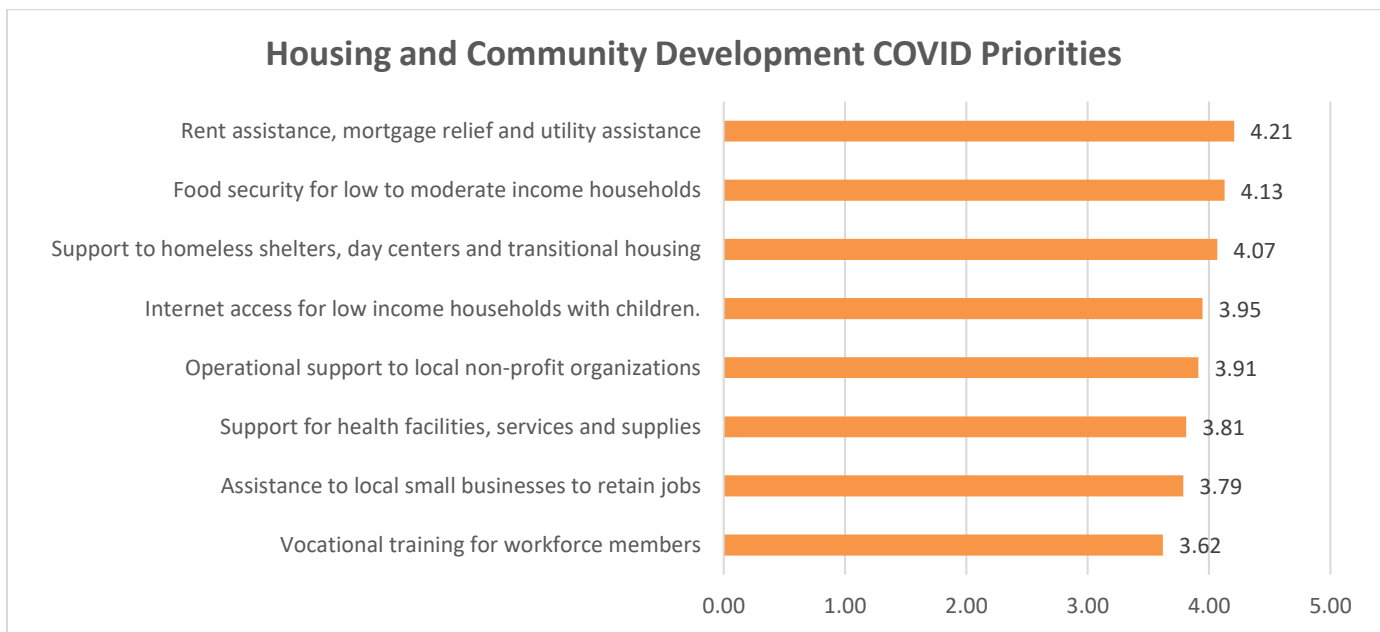
Both City Council and HUD previously approved the City's Round 1 CDBG-CV funding allocation plan. City Council also previously approved amending FY 2019 and FY 2020 CDBG and HOME funding to assist with additional responses to the impact of COVID-19 and long term recovery efforts. A comprehensive list 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 Round 1	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, as well as a reallocation \$60,000 in CDBG-CV Round 1 funds previously budgeted for Room at the Inn. Housing Programs Division (HPD) staff conducted additional public engagement to ensure community driven priorities will assist in shaping funding recommendations. The public engagement process 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 also conducted 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. Respondents were 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?*

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

February 1, 2021: Council Considers CDBG-CV Round 3 Allocation Plan and Amendment to FY 2019 Annual Action Plan

February 3, 2021: End of 30-day comment period

February 4, 2021: CDBG-CV Round 3 Plan Submission to HUD

February 12, 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 utilized 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



category recommendations that are also based upon survey feedback and public engagement sessions. The funding allocation categories identified are as follows:

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 included these funding allocation priorities in the CDBG-CV Round 3 Request for Proposals (RFP) for qualified local non-profit organizations to submit funding requests. An RFP was issued under the following schedule:

November 20, 2020: Released the RFP

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

December 11, 2020: RFP Due 11:59pm

December 16, 2020: HCDC Funding Allocations Meeting

There were fourteen proposals received. Two proposals were rejected due to being incomplete and not providing additional requested materials prior to the proposal submission deadline. Eligible proposals included over \$1.7 million in funding requests, while there was \$797,588 available

The HCDC listened to proposal presentations and voted on funding recommendations at its December 16, 2020 meeting. HCDC recommendations will be presented before Council as an amendment to the FY 2019 Annual Action Plan at the February 1, 2021 Council meeting. The HCDC's funding recommendations are also included within the agenda packet.

Staff was instructed via webinar that 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 after December 31, 2020; therefore, the City must conduct a 30-day public comment period as a part of Council's final approval. The attached resolution sets a hearing for February 1, 2021 to consider an Amendment to the FY 2019 Annual Action Plan incorporating CDBG-CV Round 3 Funds.

Fiscal Impact

Short-Term Impact: Allocates \$737,588 CDBG-CV Round 3 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: Economy, Tertiary Impact: Not Applicable

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
7/6/20	Council approved amendment 3 to the FY 2019 Annual Action Plan incorporating CDBG-CV Round 1

Suggested Council Action

Approve the resolution setting a hearing for February 1, 2021 to consider Amendment #4 to the FY 2019 Annual Action Plan incorporating CDBG-CV Round 3 funding.