



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager

Council Meeting Date: June 1, 2020

Re: Community Development Block Grant CARES Act Funding Update

## Executive Summary

This memo outlines updates on the City of Columbia's Community Development Block Grant CARES Act funding allocations.

## Discussion

The City of Columbia will be receiving \$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 likely still determining the allocation process and timeline.

Much of the purpose of all funding allocated through the CARES Act is intended to meet direct needs arising from COVID-19 for low to moderate income households and individuals. HUD also provided numerous waivers to jurisdictions to allow for more flexibility to meet community needs, as well as more timely allocation and expenditure of funds. These waivers are as follows:

1. Eliminates the public services cap, therefore allowing for additional rent, mortgage assistance, and other public services.
2. Reduces the 30 day comment period for substantial amendments to 5 days.
3. Allows for virtual access to public hearings.

HUD has encouraged communities to gather public input and amend 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.



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

With the assistance of local community volunteers, City staff also held 5 virtual public engagement sessions on April 21<sup>st</sup> and 22<sup>nd</sup> related to how the City should respond to the 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 low- and moderate-income (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.

A survey of local businesses was completed in early April through April 10<sup>th</sup>, through the County's Emergency Operations Plan Emergency Support Function 14 (Long Term Recovery). 161 business responded as follows on how long they could operate under the current state of emergency:

- Less than 1 month: 7.45%
- 1 month: 11.18%
- 2 months: 27.33%
- 3 or more months: 57.76%

These results and additional survey data results indicate a significant level of need for short term gap financing to assist local business stay operational.

The National Community Development Association (NCDA) received responses from 68 CDBG grantees from 32 states regarding how they intend to utilize CDBG CARES Act funding. The top uses identified were as follows in rank order:

- Direct rent/mortgage assistance
- Assistance to small businesses
- Other public services: food, shelters, counseling, operational support to nonprofits.

The Housing and Community Development Commission (HCDC) held its first meeting since the pandemic on May 20<sup>th</sup>. 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.



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The HCDC also approved a Request for Proposals for local non-profits to access funds for rent and mortgage assistance and approved the following funding allocations to recommend to City Council for Round 1 funding totaling \$573,473:

- \$300,000 Rental Assistance
- \$200,000 Micro-Enterprise Program
- \$73,473: Isolation & Quarantine and Other Public Services for Homeless Individuals

The HCDC will be meeting again on June 10, 2020 to review and consider non-profit applications for providing rent and mortgage assistance. The HCDC will also be doing a final vote on recommendations to Council for allocating funds. Recommendations for funding are anticipated to be brought to the July 6, 2020 Council Meeting.

## 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
None.	None.

## Suggested Council Action

Review the report and provide considerations for staff and the Housing and Community Development Commission.