THE CITY OF ASHEVILLE

Staff Report

City Council: June 23, 2020

Subject: Community Development Block Grant (CDBG) for COVID-19

Staff Resource(s): Cathy Ball, Assistant City Manager
Sam Powers, CED Director
Paul D'Angelo, CD Program Director

Action Requested: Approval by City Council to submit to HUD the City's proposed use of CDBG funds for COVID-19 / $615,934.

Background:

- The City of Asheville will be receiving a special COVID-19 funding allocation from the Department of Housing & Urban Development (HUD) in the amount of $615,934.
- The funds are to be used to prevent, prepare for, and respond to the coronavirus / COVID-19.
- In order to strategically utilize these funds for individuals and families affected by COVID-19, it is important to understand where there are gaps in existing relief funding, unmet needs, difficulty in accessing relief funds, and not to duplicate services, efforts and other federal & state dollars.
- Specifically from HUD, "Grantees must prevent duplication of benefit, i.e. the use of CDBG-CV funds to pay costs if another source of financial assistance is available to pay that cost".
- Our proposal to HUD for this special allocation must show "Clarity of Need" and fund individuals and families under 80% Area Median Income (AMI) and/or Low & Moderate Income (LMI) areas.
- In order to be timely, strategic and effective with these HUD dollars, as well as working within the parameters of Community Development (CD) capacity, CD staff strongly recommends directly partnering with local agencies ("sole sourcing", contracts under $250k) who can:
    - target and address immediate needs,
    - have the expertise to carry out the eligible activity,
    - have experience working with CDBG and/or HUD funds,
    - have the capacity as an agency to be an effective partner, and
    - have the ability to produce monthly or quarterly reports and measurable outcomes.

Proposal:

- **SERVICES BREAKDOWN OF THE $<u>615,934</u> BUDGET**
    - Rental Assistance **$399,500**
        - Homelessness Prevention & Rapid Rehousing
        - Eviction Prevention/LMI Individuals & Families
    - COVID-19 Emergency Response Homeless Populations **$156,434**
        - Security charges at congregate shelter / Operational costs at non-congregate shelter not covered by FEMA
    - Grant administration and compliance **$60,000**
        - Part-time staff for grants management
        - HUD reporting & compliance / technical assistance

<u>$615,934</u>

Council Goal(s):

- Quality Affordable Housing
- An Equitable and Diverse Community

Committee(s):

- None.

Pro(s):

- Efficient use of funding
- Preserves and protects affordable housing
- Targets populations most impacted by COVID-19
- Reduces spread of COVID-19

Con(s):

- Staff hours will be dedicated to administering this grant.

Fiscal Impact:

- This special allocation is fully funded from HUD authorized by The CARES Act of 2020. Staff costs to administer the program are also fully paid from federal sources. This funding will provide rental assistance to Ashevillians in danger of homelessness or eviction as well as additional homeless services including reimbursement for costs associated with homeless sheltering.

Suggested Motion:

- Motion to approve the City's submittal to HUD for the City's proposed use of CDBG funds for COVID-19 / $615,934.

Attachment(s)

- Resolution
- HUD Proposal

RESOLUTION NO. 20-_____

RESOLUTION APPROVING THE HUD PROPOSAL FOR SUBMITTAL FOR THE CITY OF ASHEVILLE'S SPECIAL ALLOCATION OF CDBG FUNDS FOR COVID-19 AND AUTHORIZING THE CITY MANAGER TO SIGN ALL CONTRACTS AND LOAN AGREEMENTS,AFTER APPROVAL BY THE CITY ATTORNEY, WITH HUD AND OTHER DESIGNATED AGENCIES FOR THE IMPLEMENTATION OF THE AMENDED 19-20 ANNUAL ACTION PLAN

WHEREAS, the City of Asheville is an Entitlement City for the federal Community Development Block Grant (CDBG) program; and

WHEREAS, a Special Allocation of CDBG funds has been allocated to the City of Asheville as part of the federal CARES Act of 2020 in response to COVID-19; and

WHEREAS, this allocation in the amount of $615,934 is to be used to prevent, prepare for, and respond to the coronavirus / COVID-19; and

WHEREAS, the Community Development staff must submit a proposal to HUD to be awarded this special allocation that shows "Clarity of Need" and assists individuals and families under 80% Area Median Income (AMI) and/or Low & Moderate Income (LMI) areas that have been affected by COVID-19;

WHEREAS, a public hearing has been held on June 23, 2020, to obtain citizen input and comments on the proposal, and the proposal has been made available to the public;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The Asheville City Council hereby approves the HUD proposal for submittal for the City of Asheville's special allocation of CDBG funds for COVID-19 / $615,934. City Council authorizes the City Manager to sign all contracts and grant and loan agreements, after approval by the City attorney, with HUD and other designated agencies for the implementation of the amended 19-20 Annual Action Plan

Read, approved and adopted this 14th day of July, 2020.

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CITY CLERK MAYOR

Approved as to form:

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CITY ATTORNEY