THE CITY OF ASHEVILLE

STAFF REPORT

City Council Meeting: November 10, 2020

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

Staff Resource(s): 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 (Round 3) / $889,456 by amending the 19/20 Action Plan; and a budget amendment in the CDBG Fund in the amount of $889,456 to budget the Round 3 COVID-19 grant funds.

Background:

- The City of Asheville has received notification from HUD that we will be receiving an additional COVID-19 funding allocation (Round 3) from the Department of Housing & Urban Development (HUD) in the amount of $889,456.
- 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 demonstrate 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".
- The 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 during the Pandemic, as well as working within the parameters of CD capacity, Community Development Staff again strongly recommends directly partnering with local agencies who can:
    - target the immediate needs at hand,
    - 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 $889,456 Budget***
    - ***Rental Assistance*** ***$550,000***
        - *Homelessness Prevention & Rapid Rehousing*
        - *Eviction Prevention / LMI Individuals & Families*
    - ***COVID-19 Emergency Response for Homeless Populations*** ***$165,000***
        - *Case management services to move homeless individuals into permanent housing and help them stabilize once housed*
        - *Focus on people exiting Red Roof Inn non-congregate shelter*
    - ***Grant Administration*** ***$174,456***
        - *CDBG-CV dedicated FTE for grants management for duration of funding*
        - *Cost to administer the program, including HUD reporting and compliance*
        - *Standard 20% administrative allocation to assist with capacity*

$889,456

Council Goal(s):
- Quality Affordable Housing
- An Equitable and Diverse Community

Committee(s):
- HCD - October 20, 2020 - *Proposed use of funds approved unanimously to move to Council*

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 additional CDBG 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 supportive services to house people who are homeless and at high risk for COVID complications, including people sheltered at the Red Roof Inn.
- Timeline of Funding - CD Staff received notice of the funding on Friday, September 25th.
- With an approved proposal, CD Staff will submit the plan through an amendment to the 19/20 Action Plan by November 6th with hopes to receive the funding from HUD by the end of December.

Suggested Motion:
- Motion to approve the proposed use of CDBG funds for COVID-19 / $889,456 and submit to HUD through an Amendment to the 19/20 Action Plan; and a budget amendment in the CDBG Fund in the amount of $889,456 to budget the Round 3 COVID-19 grant funds.

Attachment(s)
- HUD Proposal
- Resolution
- Budget Amendment

RESOLUTION NO. 20-_____

RESOLUTION APPROVING THE HUD PROPOSAL OF ASHEVILLE'S SPECIAL ALLOCATION OF CDBG FUNDS FOR COVID-19 (ROUND 3) THROUGH AN AMENDMENT TO THE 19-20 ANNUAL ACTION PLAN AND SUBMITTAL TO HUD 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 FUNDING

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 (Round 3) 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 $889,456 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 October 27, 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:

1. 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 / $889,456 as an Amendment to the 19/20 Annual Action Plan shown below:

CDBG-CV Round 3 Funding	Funding Recommendations
Homeward Bound of Western North Carolina- Homelessness Prevention and Rapid Rehousing	$255,000
Homeward Bound of Western North Carolina- Housing Services for Homeless Persons	$165,000
Pisgah Legal Services- Rental Assistance / Eviction Prevention	$295,000
City of Asheville - Program Administration for all CDBG-CV activities	$174,456
RECOMMENDED FUNDING	**$889,456**

2. 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 10th day of November, 2020.

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CITY CLERK MAYOR

Approved as to form:

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CITY ATTORNEY

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2020-21 Budget Ordinance be amended to provide an appropriation of $889,456 as a COVID-19 Grant funds allocation from the Department of Housing & Urban Development and amend the CDBG Fund as follows:

CDBG FUND

Revenues:

Federal Grant Revenue	$889,456
Total Revenues	$889,456

Appropriations:

CDBG COVID-19 Expenses	$889,456
Total Appropriations	$889,456

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this the 10th day of November 2020.

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City Clerk Mayor

Approved as to form:

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City Attorney