



City Council

Public Hearing to Consider Amendments to the Annual Action Plan to Reallocate New (CDBG- CV) and Existing (Program Year 2019 and 2020) Community Development Block Grant Funds due to the COVID-19 Public Health Emergency

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Title

Public Hearing to Consider Amendments to the Annual Action Plan to Reallocate New (CDBG-CV) and Existing (Program Year 2019 and 2020) Community Development Block Grant Funds due to the COVID-19 Public Health Emergency

Recommended Action

Committee Recommendation:

This matter was reviewed by the General Government Committee at their April 22, 2020, meeting. They recommended that City Council move forward with the allocation process and hold a public hearing to hear from interested parties.

City Manager Recommendation:

Hold a public hearing and provide staff with feedback and direction on the development of a specific set of proposals for the allocation of existing Program Year 2019 (PY 2019), Program Year 2020 (PY 2020) CDBG funds and new funds from the recently added Community Development Block Grant Coronavirus (CDBG-CV) allocation, to be returned to City Council for final review.

Report

Issue:

Whether to hold a public hearing to allocate existing and new CDBG funds to address exigent issues raised by the COVID-19 crisis.

Staff Contact:

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Presenter(s):

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Background and Analysis:

The City of Olympia along with all other entitlement communities across the country received an additional Community Development Block Grant Coronavirus (CDBG-CV) allocation of \$237,383 from the CARES Act (see attached April 2 Award Letter). Thurston County received approximately \$717,000 in CDBG-CV funds.

The CARES Act included \$5,000,000,000 in funding for the CDBG program. This initial round of allocates \$2,000,000,000 of that appropriation. The remaining \$3,000,000,000 will be allocated by the Housing and Urban Development Department over the course of the coming months based on identified needs. The HUD's guidance is for grantees to not wait for remaining dollars to be allocated before moving forward to amend their Action Plans.

HUD has provided several Quick Guides that are helpful in defining eligible activities. The April 6, 2020 Quick Guide to CDBG Eligible Activities to Support Coronavirus and Other Infectious Disease Response includes the following examples of eligible activities:

- **Buildings and Improvements** - construct a testing or treatment facility, rehab an existing facility to create a treatment clinic, acquire a motel or hotel for patient isolation, make improvements to private property to allow an individual to remain isolated
- **Assistance to Businesses** - provide grants or loans to support manufacture of medical supplies, avoid job loss by providing short-term working capital assistance to small business to enable retention of jobs held by low to moderate income persons, provide technical assistance, grants, loans to expand microenterprises that provide medical, food delivery, cleaning and other services to support home health and quarantine
- **Provision of New or Increased Public Services** - carry out job training for health care workers and technicians to treat disease within a community, provide testing services, increase health services for infectious disease response, provide equipment supplies and materials necessary to carry-out a public service, deliver meals on wheels to quarantined or individuals that need to maintain social distancing due to medical vulnerabilities
- **Planning, Capacity Building and Technical Assistance** - grant funds to local government may be used for planning activities in conjunction with an activity, hire technical assistance providers to deliver CDBG training, gather data and develop infectious disease response plans

The US Department of Housing and Urban Development (HUD) has issued waivers for CARES Act Funds used to support coronavirus responses and plan amendment waivers (see attached Guidance). HUD has also issued a Quick Guide to CDBG Eligible Activities to Support Coronavirus and other infectious disease responses (see attachment). This flexibility is intended to speed the access of CDBG funds to prevent and respond to the spread of the coronavirus and ameliorate its impacts.

Including the recently awarded CDBG-CV award and the available funds from PY 2020 and PY 2019, there is approximately \$1,000,000 in funding available for this response.

The General Government Committee reviewed proposed allocations on Wednesday April 22, 2020 and recommended that they be forwarded to the City Council to hold a public hearing and to finalize the proposed amendments to the Annual Action Plan.

Possible uses for these funds that appear to be fundable under the waiver include:

1. **Economic Development and Business Support:** Expand capacity to support small businesses. Expand EDC and Chamber capacity to support small businesses, microenterprise loan program to assist targeted small businesses with reopening, e.g. childcare centers, cleaning services and similar services critical to reopening the local economy
2. **Emergency Food Assistance:** South Sound Senior Center Meals on Wheels program to meet additional demand from vulnerable individuals who are sheltering in place, Foodbank, Community Kitchen
3. **Shelter, Housing and Human Services:** Expand shelter capacity in response to decreased capacity as a result of social distancing requirements, fund Homeless Response Coordinator and Downtown Ambassadors
4. CDBG Administration

Amendments to the CDBG Annual Action Plan normally require a 30-day public comment period. HUD's guidance and waivers shortens this process to five days. Following the public hearing on May 5th and with feedback and direction from City Council, staff will return on May 12, 2020 with final recommendations for amendments to the Annual Action Plan.

Neighborhood/Community Interests:

Community Development Block Grant funds can be spent to meet the needs of low to moderate income individuals throughout the community.

Options:

1. Hold Public Hearing and provide staff with feedback and direction to finalize the Annual Action Plan
2. Hold Public Hearing and provide staff with feedback and direction and ask for additional consideration at a later date
3. Take no action on matter

Financial Impact:

There is approximately \$1,117,383 dollars available for allocation. Staff will provide a detailed recommendation at the April 22, 2020, General Government Committee meeting.

Attachments:

HUD April 2, 2020 Award Letter
HUD April 9, 2020 Guidance
HUD April 6, 2020 Quick Guide