



## City Council

### Approval of 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

**Agenda Date:** 5/12/2020  
**Agenda Item Number:** 4.H  
**File Number:**20-0378

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**Type:** decision **Version:** 1 **Status:** Passed

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#### Title

Approval of 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:

Move to approve the 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.

#### Report

##### Issue:

Whether to approve a revised Annual Action plan that allocates existing and new CDBG funds to address exigent issues raised by the COVID-19 crisis.

##### Staff Contact:

Keith Stahley, Interim Assistant City Manager, 360.753.8227  
Cary Retlin, Home Fund Manager, 360.570.3956  
Jessica Pollett, Program Specialist 360.753.8314

##### Presenter(s):

None - Consent Calendar Item.

#### Background and Analysis:

On May 5, 2020, the Olympia City Council conducted a virtual public hearing on proposed amendments to Olympia's 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. City Council heard from community members both at the meeting and in writing about the impacts of the crisis on local food systems, shelter and small business impacts. The proposed amendments to the Annual Action plan are intended to address these issues.

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 billion in funding for the CDBG program. This initial round of allocates \$2 billion of that appropriation. The remaining \$3 billion will be allocated by the Housing and Urban Development Department (HUD) over the course of the coming months based on identified needs. 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 \$1,100,000 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. The public hearing was held on May 5, 2020, and comments were received from the public at the meeting and via email and telephone conversations prior to the meeting.

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. At the May 5, 2020, City Council meeting following the public hearing Council directed staff to 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. Approve the 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 as presented
2. Approve the 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 as amended
3. Take no action on matter and provide direction to staff on next steps

### **Financial Impact:**

There is approximately \$1,106,383 dollars available for allocation.

### **Attachments:**

Proposed Amendments to the Annual Action Plan

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