

To: Housing and Community Development Commission
From: Randy Cole
Date: 10/12/2020
Subject: 10/21/2020 HCDC Agenda Item Summary Memo

Overview

The purpose of this memo is to provide a brief summary of the 10/21/2020 HCDC meeting.

Special Item: CDBG-CV Round 3 Overview

COVID-19 Update: CDBG-CV CARES Act Round 3 Funding

The City of Columbia will be receiving an additional \$737,588 in CDBG-CV funds through the Coronavirus Aid, Relief and Economic Recovery (CARES) Act, Round 3 CDBG-CV funding. 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. CDBG-CV funding cannot be allocated towards projects that do not address the direct impact 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 a HUD determined formula for the impact of COVID-19
- Round 3: \$2 billion to entitlement jurisdictions based upon the impact of COVID-19

HUD has now allocated Rounds 1, 2 and 3. Round 1 provided \$573,473 to the City of Columbia. Round 2 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 no additional information is known regarding how the State intends to allocate these funds.

Much of the purpose of all funding allocated through the CARES Act is intended to meet direct needs arising from COVID-19 and long term economic recovery. Staff is recommending allocating resources in the most efficient and expedient manner that gets resources and assistance the most directly into low to moderate income households. Staff is also recommending more funds be allocated to fewer activities, rather than spreading funds across multiple activities. This is being recommended to allow for maximum impact of activities funded and to reduce the number of temporary staff needed to implement programs.

With the assistance of local community volunteers, City staff held 5 virtual public engagement sessions on April 21st and 22nd related to how the City should respond to the impact of COVID-19 with CDBG funding. There were 35 participants and 4 facilitators that 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.

City staff also conducted a public survey in April and May 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 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.

Housing Programs Division staff is recommending completing additional public engagement in a similar manner as done in April/May. This process would include a public hearing, virtual public engagement and a survey. The goal of this additional public engagement would be to assist in identifying priority housing and community development needs as it relates to the COVID-19 Pandemic and eligible uses of CDBG-CV funds. A report outlining this process was provided to City Council at their October 5, 2020 meeting. No additional considerations for revisions or additions to the process were provided. The proposed process and timeline is as follows:

October 5th: Council report for funding process considerations

October 11th: Public Hearing notice HCDC

October 21st: HCDC Public Hearing: CDBG-CV funding priorities

October 28th or 29th: Public Engagement Focus Groups

November 18th: HCDC Meeting: Consideration of RFP(s) to be Released

December 7th: Council Report and Update on RFP Approach and Funding Priorities

December 16th: HCDC Meeting: Funding Recommendations

January 4, 2021: Council Consideration of Allocation Plan for CDBG-CV Round 3

January 5, 2021: CDBG-CV Round 3 Plan Submission to HUD

February 4, 2021: Estimated date of HUD approval

March 1, 2021: Estimated project agreement for Council consideration for projects exempt or categorically excluded not subject to NEPA Part 58 Environmental Review Procedures

April 5, 2021: Estimated project agreement for Council consideration for projects subject to NEPA and 24 CFR Part 58 Environmental Review Procedures

May 3, 2021: Estimated project agreement for Council consideration for projects subject to NEPA and 24 CFR Part 58 Environmental Review Procedures and requiring environmental assessment.

Housing Programs Division staff are also still meeting with the Emergency Support Function (ESF) 14 group formulated under the County Emergency Operations Plan to continue planning and support efforts for long term recovery. HUD guidance encourages CDBG staff coordination with local response efforts and local public health departments. ESF-14 will continue to serve as a formal mechanism to meet this requirement and ensure collaboration across funding sources, and up to date long term recovery needs data. HPD staff will also continue to maintain contact and coordination with COMO Helps to align efforts and ensure effective coordination of funding allocations.

The National Community Development Association (NCDA) received responses from 103 CDBG grantees (including the City of Columbia) from 29 states regarding how they utilized CDBG CARES Act funding. The top uses identified were as follows in rank order:

Public Services

- Emergency Payments (Subsistence Payments)
 - Emergency rent/mortgage/utility assistance - 83 out of 103 respondents
 - Payment of rent, mortgage, and utility assistance to providers (landlord/mortgage company) for up to six months
 - Motel/hotel vouchers for victims of domestic violence/homeless (paid directly to the hotel/motel) for up to six months – 2 out of 103 respondents
- Food security – 55 out of 103 respondents
 - Food banks: meals for the homeless, meals for the elderly
- Other Public Services: 51 out of 103 respondents
 - Childcare
 - Health services: purchase/distribution of PPE, COVID-19 education, sanitization of public facilities, operating assistance for mobile health clinics/mobile testing facilities
 - Operating assistance to non-profits delivering COVID-19 services
 - Homeless services (outreach, case management, hygiene kits and stations)
 - Mental health counseling
 - Legal counseling (eviction prevention, foreclosure prevention, unemployment claims)
 - Domestic violence outreach
 - Employment training
 - Health care worker training
 - Workforce retraining classes

Economic Development

- Financial Assistance to Small Businesses - 52 out of 103 respondents
 - Short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income people
 - Grants, and loans to microenterprises that provide medical, food delivery, cleaning and other services to support home health and quarantine.

Public Improvements/Facilities – 8 out of 103 respondents

- Health facilities
 - Low-income medical clinic renovation to accommodate social distancing
- Homeless facilities
 - Expansion of existing homeless facilities to accommodate social distancing
- Neighborhood facilities
 - Library modification in a low-income area to accommodate social distancing
- Parks/recreational facilities
 - Park/recreational facilities improvements in a low-income area for social distancing
- Senior facilities
 - Senior center renovation to accommodate social distancing in a low-income area

Acquisition of Real Property-2 out of 103 respondents

- Acquisition of a building to be converted into a shelter for the homeless
- Acquisition of a building for permanent affordable housing

The City of Columbia received \$573,473 in Round 1 CDBG-CV funds. Both City Council and HUD previously approved the City's Round 1 CDBG-CV funding allocation plan. City Council also previously approved amending FY 2019 and FY 2020 CDBG and HOME funding to assist with additional responses to the impact of COVID-19 and long term recovery efforts. A comprehensive list of previously approved CDBG-CV, FY 2019/2020 CDBG and HOME funding allocations for response to the impacts of COVID-19 are as follows:

Category	Activity	CDBG-CV	FY 2019 CDBG	FY 2020 CDBG	FY 2020 HOME	Total
Housing & Homelessness	Rent and Mortgage Assistance	\$270,000				\$270,000
	Tenant-Based Rental Assistance				\$300,000	\$300,000
	Homelessness, shelter & quarantine	\$70,000				\$70,000
Small Business Assistance	Microenterprise Recovery Loan Program	\$175,000	\$90,000			\$265,000
	Small Business Recovery Loan Program			\$400,000		\$400,000
	Administration	\$58,473				\$58,473
Total		\$573,473	\$90,000	\$400,000	\$300,000	\$1,363,473

Special Item: Draft COVID-19 Housing and Community Development Needs Survey

The Housing Programs Division typically works in partnership with the HCDC each year to conduct a survey of the public regarding housing community development needs for annual funding allocations. City staff is recommending taking a similar approach for CDBG-CV Round 3 funding, which is also in alignment with the City's approach to Round 1. City staff has prepared a draft survey that includes questions from the April/May 2020 survey, however it also includes additional questions regarding internet access, vocational training, and homeless providers. These are 3 key areas that staff has increasingly received local feedback on and areas that other communities are also examining. Staff requests HCDC members review the survey and provide any recommended revisions/additions so that the survey can be released the week of October 19, 2020.

Public Hearing: COVID-19 Housing and Community Development Needs Survey

Staff has scheduled and provided notice for a public hearing regarding COVID-19 Housing and Community Development Needs to help the HCDC formulate funding recommendations for CDBG-CV Round 3 funding. Staff recommends the HCDC open the hearing and take public comment. This hearing will serve as one tool for public feedback that will also be complimentary to additional virtual public engagement, the survey, 2 additional HCDC meetings, a Council report and final City Council consideration.