

Legislation Text

File #: 21-14, Version: 1

Presenter/Contact

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SUBJECT:

Public hearing and possible direction to staff regarding funding recommendations for the CDBG-CV Grant Program utilizing an additional allocation of funds from the U.S. Department of Housing and Urban Development, and the associated CARES Act Substantial Amendment to the approved CDBG Program Year 2019 Annual Action Plan to incorporate CDBV-CV Round 3 funding.

BACKGROUND / RATIONALE:

The City of New Braunfels has been fortunate to receive an additional allocation of funds to the City's Community Development Block Grant (CDBG) grant program from the U.S. Department of Housing and Urban Development (HUD) that is to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis. In April 2020, the CARES Act provided \$243,102 in Community Development Block Grant Coronavirus (CDBG-CV) Round 1 funds to the City and in September 2020, the City received notification of an additional \$423,819 in CDBG-CV Round 3 funding.

CDBG-CV funds may be used for a wide range of activities that must be associated with COVID-19, and all eligible activities must meet one of the three National Objectives: 1) Benefit low to moderate-income persons, 2) Aid in the prevention of slums and blight, or 3) Meet other urgent community needs such as disaster relief. Eligible activities include, but are not limited to, emergency rent/utility assistance, food distribution, provision of testing, diagnosis, or other services at a fixed or mobile location, and provision of short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons. CDBG-CV grant funding must only be used to support residents affected by COVID-19.

CDBG-CV ROUND 1 FUNDING (\$243,102): In April, the City released a widely publicized Request for Applications (RFA) to receive responses from nonprofit agencies and other eligible entities for participation in the CDBG-CV Round 1 grant program. Applications were available for 3 categories: Public Services, Public Facilities, and Assistance to Businesses. The City subsequently received applications from 5 local non-profit agencies for a variety of eligible activities within the Public Services category for a total of \$312,025.

It is important to note that, unlike the City's annual CDBG funding, there are no percentage caps for the allocation of CDBG-CV funds. Therefore, funding is equally available to all categories, including Public Services.

All applications were reviewed by an internal committee consisting of several City staff members and the City's CDBG consultant and, in accordance with HUD guidelines, a portion of previously unallocated CDBG Program Year 2019 (PY19) funding was reallocated to supplement the CDBG-CV program, thereby allowing the City to award the full amounts requested by the applicants. The currently awarded CDBG-CV subrecipients are as follows:

TOTAL CDBG-CV FUNDING AVAILABLE: \$ 243,102 ALLOCATED + \$68,923 PY19 FUNDS	
Name of Organization Description of Activity	Awarded
CASA of Central Texas, Inc. court advocacy services for victims of child abuse	\$ 55,600.00
Comal County Habitat for Humanity housing and utility assistance	\$ 136,425.00
Crisis Center of Comal County food/shelter assistance for victims of domestic violence	\$ 10,000.00
Family Life Center housing and utility assistance	\$ 10,000.00
San Antonio Food Bank emergency food distribution	\$ 100,000.00
TOTAL AWARDED AMOUNT	\$ 312,025.00

In addition to CDBG-CV funding, the City also provided a portion of its allocation from the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") Coronavirus Relief Fund ("CRF") to local nonprofit organizations via the City's COVID-19 Nonprofit Organization Business Interruption Grant Program ("NBI Grant Program"). After a competitive application process, a total of 21 grants were awarded, including the following:

COVID-19 NONPROFIT BUSINESS INTERRUPTION GRANT PROGRAM	
Name of Organization	Awarded
Comal County Habitat for Humanity	\$ 50,000.00
Crisis Center of Comal County	\$ 100,000.00
Family Life Center	\$ 25,000.00
Family Promise of Greater New Braunfels	\$ 25,000.00
The Salvation Army - New Braunfels Corps	\$ 50,000.00

CDBG-CV ROUND 3 FUNDING (\$413,819): Consistent with the City's previous distribution of funding to the community, the City released another RFA in late November to request applications from nonprofit agencies and other eligible entities for participation in the CDBG-CV Round 3 grant program. Applications were again available for 3 categories: Public Services, Public Facilities, and Assistance to Businesses. The City subsequently received applications from 8 local non-profit

agencies for a variety of activities within the Public Services category for a total of \$942,779.

All applications have again been reviewed by an internal committee consisting of several City staff members and the City's CDBG consultant and, after an initial screening of the eligibility of the requested activities, the committee discussed several funding options, such as a proportional distribution of the available funds (OPTION 1), consideration of other funding sources such as previous CDBG-CV and NBI Grant Program awards, and duplication of proposed activities (OPTION 2), and consideration of multiple factors such as other funding sources, current provision of COVID-19-related services to the community, and direct support of the City's recently adopted CDBG 5-Year Consolidation Plan (OPTION 3).

The internal committee recommends Option 3 as it offers support to nonprofit agencies who are providing critical services to the community but have not previously received CDBG-CV or NBI Grant Program funding; and to CDBG-CV Round 1 subrecipients who are currently providing residents with critical food/shelter and housing/utility assistance. The provision of additional funding for current CDBG-CV Round 1 subrecipients will allow for the continuation of services rather than creating a risk of interruption in services if they were to be assumed by new subrecipients.

OPTION 1: PROPORTIONAL DISTRIBUTION

TOTAL CDBG-CV ROUND 3 FUNDING AVAILABLE: \$ 423,819			
Name of Organization <i>Description of Activity</i>	Funding Requested	Eligible Amount	OPTION 1
Big Brothers Big Sisters of South Texas, Inc. <i>salary support for Branch Coordinator (no direct client services)</i>	\$ 10,000.00	\$ -	\$ -
Comal County Habitat for Humanity <i>housing and utility assistance</i>	\$ 101,325.00	\$ 101,325.00	\$ 58,291.54
Crisis Center of Comal County <i>food/shelter assistance for victims of domestic violence</i>	\$ 10,000.00	\$ 10,000.00	\$ 5,752.93
Family Life Center <i>housing and utility assistance</i>	\$ 20,000.00	\$ 20,000.00	\$ 11,505.86
Family Promise of Greater New Braunfels <i>longterm rental assistance</i>	\$ 184,000.00	\$ 60,000.00	\$ 34,517.57
Hope Hospice <i>staff and personal protective equipment required to serve clients during COVID</i>	\$ 168,784.00	\$ 168,784.00	\$ 97,100.22
New Braunfels Housing Partners <i>food and shelter assistance for homeless residents</i>	\$ 230,167.00	\$ 230,167.00	\$ 132,413.41
The Salvation Army - New Braunfels Corps <i>housing and utility assistance</i>	\$ 218,503.00	\$ 146,425.00	\$ 84,237.48
TOTAL	\$ 942,779.00	\$ 736,701.00	\$ 423,819.00

OPTION 2: DISTRIBUTION OF FUNDING EXCLUDING ORGANIZATIONS WHO RECEIVED CDBG -CV ROUND 1 FUNDS

TOTAL CDBG-CV ROUND 3 FUNDING AVAILABLE: \$ 423,819			
Name of Organization Description of Activity	Funding Requested	Eligible Amount	OPTION 2
Big Brothers Big Sisters of South Texas, Inc. salary support for Branch Coordinator (no direct client services)	\$ 10,000.00	\$ -	\$ -
Comal County Habitat for Humanity housing and utility assistance	\$ 101,325.00	\$ 101,325.00	\$ -
Crisis Center of Comal County food/shelter assistance for victims of domestic violence	\$ 10,000.00	\$ 10,000.00	\$ -
Family Life Center housing and utility assistance	\$ 20,000.00	\$ 20,000.00	\$ -
Family Promise of Greater New Braunfels longterm rental assistance	\$ 184,000.00	\$ 60,000.00	\$ 7,228.18
Hope Hospice staff and personal protective equipment required to serve clients during COVID	\$ 168,784.00	\$ 168,784.00	\$ 168,784.00
New Braunfels Housing Partners food and shelter assistance for homeless residents	\$ 230,167.00	\$ 230,167.00	\$ 230,167.00
The Salvation Army - New Braunfels Corps housing and utility assistance	\$ 218,503.00	\$ 146,425.00	\$ 17,639.82
TOTAL	\$ 942,779.00	\$ 736,701.00	\$ 423,819.00

COMMITTEE-RECOMMENDED OPTION 3: DISTRIBUTION OF FUNDING TO ORGANIZATIONS WHO HAVE NOT PREVIOUSLY RECEIVED CDBG-CV OR CITY GRANT FUNDING, AND TO CDBG-CV ROUND 1 SUBRECIPIENTS

TOTAL CDBG-CV ROUND 3 FUNDING AVAILABLE: \$ 423,819			
Name of Organization Description of Activity	Funding Requested	Eligible Amount	OPTION 3
Big Brothers Big Sisters of South Texas, Inc. salary support for Branch Coordinator (no direct client services)	\$ 10,000.00	\$ -	\$ -
Comal County Habitat for Humanity housing and utility assistance	\$ 101,325.00	\$ 101,325.00	\$ 54,912.00
Crisis Center of Comal County food/shelter assistance for victims of domestic violence	\$ 10,000.00	\$ 10,000.00	\$ 5,419.00
Family Life Center housing and utility assistance	\$ 20,000.00	\$ 20,000.00	\$ 10,839.00
Family Promise of Greater New Braunfels longterm rental assistance	\$ 184,000.00	\$ 60,000.00	\$ -
Hope Hospice staff and personal protective equipment required to serve clients during COVID	\$ 168,784.00	\$ 168,784.00	\$ 122,482.00
New Braunfels Housing Partners food and shelter assistance for homeless residents	\$ 230,167.00	\$ 230,167.00	\$ 230,167.00
The Salvation Army - New Braunfels Corps housing and utility assistance	\$ 218,503.00	\$ 146,425.00	\$ -
TOTAL	\$ 942,779.00	\$ 736,701.00	\$ 423,819.00

To utilize CDBG-CV funding, the City is required by HUD to submit a CARES Act Substantial Amendment to the current PY19 Annual Action Plan that was approved by City Council on July 22,

2019. The CARES Act Substantial Amendment will formally incorporate the City's additional allocation of CDBG-CV funding and describes the eligible activities that will be provided by local non-profit organizations in support of residents affected by COVID-19.

HUD typically requires a 30-day comment period for the Substantial Amendment process; however, HUD has reduced the public comment period for the CARES Act Substantial Amendment to 5 days in order to expedite the availability of funding to communities. The comment period for the CARES Act Substantial Amendment is January 8 to January 12. Additionally, there is one public hearing that will occur on January 11 during the City Council meeting, prior to the submission of the CARES Act Substantial Amendment. This allows for citizens to comment on the information proposed in the CARES Act Substantial Amendment to the approved CDBG Program Year 2019 Annual Action Plan. A full draft of the amendment is available for review at the City Secretary's Office at the New Braunfels' City Hall, at the New Braunfels Central Public Library, and on the City's CDBG-CV website, nbtexas.org/CDBG-CV, during this timeframe. It is anticipated that the finalized CARES Act Substantial Amendment will be presented to City Council for approval on January 25 and delivered to HUD for their review/approval no later than January 26, 2021.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

☒	Yes	Strategic Priorities	Protect the integrity of our neighborhoods.
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FISCAL IMPACT:

No fiscal impact to the City as this is an allocation of federal funding.

COMMITTEE RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Public hearing and possible direction to staff regarding funding recommendations for the CDBG-CV Grant Program utilizing an additional allocation of funds from the U.S. Department of Housing and Urban Development, and the associated CARES Act Substantial Amendment to the approved CDBG Program Year 2019 Annual Action Plan to incorporate CDBV-CV Round 3 funding.