

## Legislation Text

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Presenter/Contact

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**SUBJECT:**

Approval for the submission of the Amended Program Year 2019 Community Development Block Grant Annual Action Plan and its associated CARES Act Substantial Amendment to the U.S. Department of Housing and Urban Development to support the CDBG-CV Round 3 Grant Program.

**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 was distributed to the community in after a competitive Request for Application (RFA) process that resulted in grant awards to 5 local non-profit organizations in June 2020 for the provision of a variety of public services. With the addition of previously unallocated CDBG funds, CDBG-CV Round 1 grant funds were awarded to Casa of Central Texas, Inc. (\$55,600) for court advocacy services, Comal County Habitat for Humanity (\$136,425) for housing and utility assistance, Crisis Center of Comal County (\$10,000) for food/shelter assistance, Family Life Center (\$10,000) for housing and utility assistance, and San Antonio Food Bank (\$100,000) for emergency food distribution.

Consistent with the City's previous distribution of funding, the City released another RFA in late November 2020 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 organizations for a variety of activities within the Public Services category for a total of \$942,779.

All applications were reviewed by an internal committee consisting of several City staff members and the City's CDBG consultant and during their review, the committee discussed funding recommendations based upon multiple factors including, but not limited to, overall HUD-eligibility of requested activities/programs, delivery and types of critical services provided by the agency to support residents affected by COVID-19, the organization's experience and capacity in managing the proposed activity/program, any previous coronavirus-related funds awarded to the organization by the City, and the proposed activity/program's direct support of the City's recently adopted CDBG 5-Year Consolidation Plan.

After extensive consideration, the committee's recommendations for the distribution of CDBG-CV Round 3 funds are as follows:

TOTAL CDBG-CV ROUND 3 FUNDING AVAILABLE: \$ 423,819	
Name of Organization Description of Activity	Recommended Award
Comal County Habitat for Humanity <i>housing and utility assistance</i>	\$ 54,912
Crisis Center of Comal County <i>food/shelter assistance for victims of domestic violence</i>	\$ 5,419
Family Life Center <i>housing and utility assistance</i>	\$ 10,839
Hope Hospice <i>staff and personal protective equipment required to serve clients during COVID-19</i>	\$ 122,482
New Braunfels Housing Partners <i>food and shelter assistance for homeless residents</i>	\$ 230,167
<b>TOTAL</b>	<b>\$ 423,819</b>

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 was from January 8 to January 12, allowing citizens the opportunity to comment on the information proposed in the drafted Amended CDBG Program Year 2019 Annual Action Plan. A full draft of the Amended Program Year 2019 Community Development Block Grant Annual Action Plan was 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](http://nbtexas.org/CDBG-CV), during this timeframe. Additionally, there was one public hearing that occurred on January 11, 2021 during the regular City Council meeting.

No comments were received during the public comment period, therefore, upon receipt of City Council approval, the finalized Amended Program Year 2019 Community Development Block Grant Annual Action Plan and its associated CARES Act Substantial Amendment will be delivered to HUD no later than January 26, 2021.

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

<input checked="" type="checkbox"/>	Yes	Strategic Priorities	Protect the integrity of our neighborhoods.
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**FISCAL IMPACT:**

While there is no direct fiscal impact because the programs described above will be fully supported by the federal allocation; indirect costs, such as administrative services to support the program will be supported by the General Fund.

**COMMITTEE RECOMMENDATION:**

N/A

**STAFF RECOMMENDATION:**

Staff recommends approval for the submission of the Amended Program Year 2019 Community Development Block Grant Annual Action Plan and its associated CARES Act Substantial Amendment to the U.S. Department of Housing and Urban Development to support the CDBG-CV Round 3 Grant Program.