Council Communication

Department: Community Development	Resolution No.: 22 -	City Council: August 22, 2022

Subject/Title

A resolution approving the use of 2020 Community Development Block Grant COVID-19 funds and directing the mayor to submit the 2019 Amendment 4 to the Annual Action Plan to the City of Omaha and the US Department of Housing and Urban Development (HUD).

Background/Discussion

Background

The City of Council Bluffs is an entitlement community under the Community Development Block Grant (CDBG) program, which results in annual funding from the U.S. Department of Housing and Urban Development (HUD). In order to receive these funds, the City is required to submit to HUD an Annual Plan, which was already submitted and approved by Council. In May 2020, the City of Council Bluffs received addition funding due to coronavirus (COVID-19) as part of its entitlement grant; therefore, this amendment to the Annual Plan is required. In September, a second allocation of CDBG-CV entitlement dollars was awarded to the City in the amount of $366,519 as part of the federal government's mission to reduce evictions and foreclosures. The City also received unofficial notification from Iowa Economic Development Authority (IEDA) that it will receive $561,789 from their second CDBG-CV allocation.

The Annual Plan details the City's objectives, revenues, expenditures and other actions. This document is prepared by the Community Development Department with input from the Community Development Advisory Committee (CDAC). In FY2019, the City received approximately $967,313 in CDBG funding. Eligible projects had to meet the following national objectives: benefit to persons of low-to-moderate income, elimination of slum and blight and urgent need. In addition to the 2019 Annual funding, the City of Council Bluffs received $947,359 in CDBG-COVID-19 (CV) and $580,840 from IEDA both to provide immediate funding to prevent, prepare for and respond to the COVID-19. These funds were also allocated to the City through HUD CDBG entitlement designation. The total CDBG program budget is $2,476,461 and includes the following sources of revenue:

2019 Annual CDBG Grant	967,313
CDBG-CV Grant (round 1)	580,840
CDBG-CV Grant (round 2)	366,519
CDBG-CV (IEDA)	561,789
Total	**$2,476,461**

On June 8, 2020, City Council approved Amendment #1 to the 2019 Consolidated and Action Plan to include the following projects for CDBG-CV funding: (1) food security; (2) direct financial assistance; and (3) business assistance.

On July 13, 2020, City Council approved Amendment #2 which allocated $275,000 to the extension of the BLink community-wide Wi-Fi network to provide free low bandwidth internet to low-and-moderate income neighborhoods.

The third amendment was approved by City Council October 26, 2020 to allocate the funding received from the State of Iowa.

Discussion

As COVID-19 impacts on individual households and businesses have reduced, the City wishes to now expand the use of these funds to serve a broader need in the city. Amendment #4 proposes the following changes to the 2019 CDBG COVID-19 budget:

1. Reprogram $118,879 from Business Assistance and $231,656 from Direct Financial Assistance.
2. Add a new category of Down Payment Assistance in the amount of $200,000 to assist low-to-moderate-income homebuyers with the purchase of a new single family dwelling unit.

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3. Add a new category of Demolition for the Construction of New Affordable Housing in the amount of $150,493.

Proposed budget is as follows:

COVID-19 Administration	189,200
BLink Broadband Extension	200,000
Food Security	400,000
Direct Financial Assistance	168,344
Business Support	201,069
Down Payment Assistance	$200,000
Demolition for Construction of New Affordable Housing	$150,535
Total	**$ 1,509,148**

Staff Recommendation

The Community Development Department recommends that City Council adopt a resolution approving the use of the CDBG-CV funds as outlined in the attached budgets; direct the Mayor to submit the 2019 Amendment #4 to the Annual Plan to the City of Omaha and to HUD; and direct the Mayor to execute contracts with HUD for the use of the CDBG-CV funds.

Community Development Advisory Committee

On August 15, 2022, CDAC met to review the CDBG-CV funds and recommend their approval. CDAC recommends the approval of the proposed FY2019 budget allocating CDBG-CV funds to activities as outlined in "Attachment A" and directing the Mayor to submit the 2019 Amendment #4 to the Annual Action Plan to the City of Omaha and the US Department of Housing and Urban Development. Motion carried by unanimous voice vote of those present. VOTE: AYE: Adkins, Heininger, Mathews, Rowe, Stane; NAY – None; ABSTAIN – None; ABSENT – None.