Council Communication

Department: Community Development	Resolution No.: 20 -	City Council: October 26, 2020

Subject/Title

2019 Amendment #3 to the Annual Plan for Community Development Block (CDBG) funds.

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
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.

Discussion

With the additional CDBG-CV entitlement dollars provided to the City, a third amendment must be processed. Based on the program guidelines, Staff determined the best use of dollars were to increase allocations to the three initial programs: (1) food security; (2) direct financial assistance; and (3) business assistance.

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Amendment #3 proposes the following changes to the 2019 CDBG COVID-19 budget:

1. Increase administration allocation from $116,168 to $189,200; 20% of the new total CDBG-CV entitlement amount.
2. Reprogram of the BLink community-wide Wi-Fi from CDBG entitlement to CDBG-CV to ensure the City can spend all its COVID program funding. Reduce allocation amount from $275,000 to $200,000 based on actual costs provided to the City by BLink Consortium.
3. Increase Food Security from $250,000 to $400,000 which will accommodate the need for additional dollars should a new food pantry be constructed as planned.
4. Increase Direct Financial Assistance from $301,461 to $400,000 to assist a larger number of households financially impacted by COVID-19.
5. Increase Business Support from $200,000 to $319,948 to assist a larger number of businesses financially impacted by COVID-19.

Proposed budget is as follows:

COVID-19 Administration	189,200
BLink Broadband Extension	200,000
Food Security	400,000
Direct Financial Assistance	400,000
Business Support	319,948
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 #3 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 October 5, 2020, 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 #3 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, Mathews, Rowe, Sclott; NAY – None; ABSTAIN –None; ABSENT – Heininger.