



Legislation Text

File #: 20-796, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the Substantial Amendment to the City of Naperville's Community Development Block Grant (CDBG) Program Year 2019 Annual Action Plan allocating \$315,985 in CDBG-CV CARES Act funding and reprogramming \$81,000 in Program Year 2019 CDBG funding to alleviate the effects of the COVID-19 public health crisis

DEPARTMENT: City Clerk's Office

SUBMITTED BY: Ruth Broder, Community Grants Coordinator

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136. The CARES Act allocated \$5 billion in supplemental CDBG funds to prevent, prepare for, and respond to the coronavirus pandemic. Of the \$5 billion, the U.S. Department of Housing and Urban Development (HUD) allocated \$2 billion directly to entitlement communities. These supplemental funds are referred to as CDBG-CV funds.

The City of Naperville received a CDBG-CV allocation of \$315,985. In addition to the CDBG-CV funds, the City has a balance of \$81,000 in PY 2019 funds available resulting in a total of \$396,985 to be used to alleviate the effects of the public health crisis.

DISCUSSION:

In order to use the grant funding, HUD has advised entitlement communities to amend their PY 2019 Annual Action Plan to include both the CDBG-CV funds and any reprogrammed funds. The CARES Act also allows communities to amend their Citizen Participation Plans to expedite the amendment process by allowing virtual public hearings and a shorter public comment period. The amended Citizen Participation Plan will be incorporated into the PY 2019 Naperville CARES Act Substantial Amendment to be submitted to HUD.

After reviewing the CARES Act requirements with the City's HUD representative, staff met with a number of nonprofit and government agencies including local economic development organizations, City commissions and task forces, municipal departments, and other entitlement communities. Staff also surveyed organizations that have received a Social Service Grant and/or CDBG award from the City of Naperville in the past three years.

HUD representative also informed staff that instead of funding specific programs and initiatives at this

time, only the preferred funding *categories* need to be reported. Money allocated within each category may be re-distributed to another category based on applications received. In June, the City Council reviewed the following funding categories and concurred with staff's proposed allocations.

1) Public Services - \$236,985

Program assistance to individuals, households, and businesses

- \$50,000
Shelter: up to 3 months of rent/mortgage/utility assistance to households
- \$50,000
Shelter: motel/hotel expenses for domestic violence and homeless persons
- \$60,000
Food: meal preparation and delivery to seniors and people with disabilities
- \$76,985
Other Public Services: employment/job counseling assistance, mental health, childcare, etc.

2) Economic Development - \$100,000

Assistance to small businesses

- \$100,000
Small Business Assistance: assistance to enable job creation/retention

3) Public Facilities - \$60,000

Assistance to nonprofits for capital improvements and costs associated with preventing, preparing for, and responding to the impacts of COVID-19

- \$60,000
Housing/Services: assistance to group homes/community integrated living arrangements, transitional housing, etc.

As with all CDBG funding, CDBG-CV projects must meet a National Objective of the CDBG program, either benefitting low- and moderate-income persons or meeting an urgent need. The project categories reflect an emphasis on meeting basic needs where an increased demand for services by the public due to COVID-19 has been documented. Typically, public services are limited to 15% of total grants funds, however, because HUD is anticipating the need for additional public services, eliminated this cap for CDBG-CV funds.

Once HUD approves the basic funding categories outlined above, an application process will be conducted. Subrecipients chosen to administer programs will receive funds through reimbursement

after meeting CDBG requirements and submitting a documentation of expenses.

A summary of changes to the PY 2019 Annual Action Plan is attached.

FISCAL IMPACT:

Allocate a total of \$396,985 in CDBG-CV funds and reprogrammed PY 2019 entitlement grant funds.