



AGENCY: City Council
MEETING DATE: September 11, 2023
DEPARTMENT: Community Development
PRESENTED BY: L. Peterson
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AGENDA ITEM SUMMARY

TITLE:

RECEIVE REPORT AND CONDUCT PUBLIC HEARING FOR DISCLOSURE OF ACCOMPLISHMENTS AND CLOSEOUT OF ACTIVITIES FUNDED BY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 20-CDBG-CV1-00124

ISSUE:

The expenditure period for the City's 2020 Community Development Block Grant Program Coronavirus, Aid, Relief, Economic Security Act (CDBG-CV) award 20-CDBG-CV1-00124 will end on February 28, 2024. All funds have been expended and the activity is complete. Per CDBG requirements, a public hearing must be conducted before the governing body to notify the public of accomplishments funded by the grant. The 2020-CDBG-CV grant was awarded to fund a subsistence program and General Administration. Following is a description of accomplishments resulting from the funded activities.

ANALYSIS:

In 2020, the City applied for funding from the 2020 CDBG-CV Round 1 (CV1) program for a Utility Bill Assistance Program and General Administration and was awarded \$89,492.00 in 2021. A subsistence program is an eligible CDBG-CV activity and meets CDBG's low-moderate income clientele (LMC) National Objective. The City also received CDBG-CV Round 2 & 3 (CV2-3) funds for the same activity and General Administration in the amount of \$88,042.00 (award 20-CDBG-CV2-3-00108). Both CDBG-CV awards were utilized to support the Utility Bill Assistance Program.

Under this subsistence program, the City made one-time payments to utility providers on behalf of qualified households. Three main criteria were used to determine household eligibility: (1) the residence must be located inside city limits, (2) the household must have been financially impacted by COVID-19, and (3) the household must qualify as moderate-income or lower per CDBG income limits (based on household size and percentage of area median income; CDBG income limits are updated annually by the state Housing and Community Development Department (HCD).) The amount of assistance granted per household was initially limited to \$500.00; as the program was implemented, it became apparent that: (1) fewer households were in arrears than expected and; (2) of households in arrears, the arrearages were significantly higher than expected. The City requested to amend the program to increase the assistance limit to \$1,000.00 per household and to allow households that had received assistance prior to the increase to apply a second time, so long as the total assistance was not more than \$1,000.00. HCD approved the request and the City's program guidelines were updated accordingly. Near the end of the grants' performance period, the amount budgeted for subsistence payments was fully expended, but unused funds remained in the staff activity delivery budget. The City requested to use remaining staff activity funds for subsistence payments; HCD allowed the request and did not require a grant revision.

The program was active from June 2021 through June 2023. The program as a whole (including both CV1 and CV2-3 awards) expended \$135,261.84 in subsistence payments that benefitted 579 persons in 187 low-moderate income households. Of those 187 households, 57 received a second round of assistance as allowed by the program amendment.

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From 20-CDBG-CV1-00124 in particular, \$68,370.71 was expended on subsistence payments, \$10,363.73 was expended on Activity Delivery, \$10,739 was expended on General Administration, and \$18.56 will be disencumbered. Subsistence payments benefitted 123 new households and 14 second-time beneficiaries. Detailed demographic information is presented in the document entitled *Closeout Demographics*, attached herein.

RECOMMENDED ACTION:

Conduct a Public Hearing to disclose accomplishments and closeout of activities funded by CDBG #20-CDBG-CV1-00124.

ALTERNATIVE ACTION(S):

None.

FISCAL IMPACT:

The 2020 grant project was implemented with CDBG-CV grant funds. The 2020 grant provided General Administration funding that was adequate to cover administrative costs; any on-going administrative tasks after grant close out may be covered by the City's CDBG grant administration funds from any active CDBG award. CDBG funding is intended to assist the low- and moderate-income population; all clientele assisted with this grant funding were qualified as low- and moderate-income as per CDBG income limits.

CONSISTENCY:

The State CDBG mission is to improve the lives of low- and moderate-income residents through the creation and expansion of community and economic development opportunities, which supports livable communities for all residents. This mission is consistent with Fort Bragg City Council Priority Areas.

IMPLEMENTATION/TIMEFRAMES:

The expenditure deadline for the 2020 grant is February 28, 2024. Final Funds Requests for the grant have already been submitted to HCD. Grant close-out reports will be submitted to HCD after the close-out public hearing is held. The City's Agreement with CDBG expires on February 28, 2024. It is unclear when CDBG will authorize close-out of the City's contract with the state because final closeout is subject to U.S. Department of Housing and Urban Development (HUD) monitoring and review of State CDBG funding allocations.

ATTACHMENTS:

1. Public Hearing Notice – English
2. Public Hearing Notice – Spanish
3. Program Guidelines
4. Closeout Demographics

NOTIFICATION:

1. CDBG "Notify Me" Subscribers