



Board Summary Report

Date: April 20, 2020

To: Board of County Commissioners

Through: Don Klemme, Director, Community Resources

From: Linda Haley, Housing and Community Development Division Manager

Subject: Allocation of Community Development Block Grant – COVID-19 (CDBG-CV) funds received as part of the CARES Act.

Direction/Information

The purpose of this Board Summary Report is to review the funding recommendations for Community Development Block Grant – COVID-19 (CDBG-CV) funds, as recommended by Community Resources - Housing and Community Development Services (HCDS) staff, and seek direction from the Board of County Commissioners (BOCC) regarding the plan to utilize these funds. We are also seeking authorization to submit amendments to the 2019 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) for review and approval.

Background

Following the passage of the CARES Act, Arapahoe County and the City of Centennial will receive an additional allocation of CDBG funds (CDBG-CV) to assist with preventing, preparing for, and responding to coronavirus/COVID-19. Combined, Arapahoe County and City of Centennial will receive a total of \$869,861 in CDBG-CV funds from the CARES Act. Of the total, Arapahoe County will receive \$657,432 and the City of Centennial will receive \$212,429.

In order to access these funds and award grants to community service providers as expeditiously as possible, HCDS staff is seeking direction from the BOCC, to include the plans for CDBG-CV funds in the 2019 Annual Action Plan, as a substantial amendment. By including the CDBG-CV funds in the 2019 Action Plan, these funds can be awarded and allocated to entities responding to the COVID-19 pandemic as quickly as possible given the current situation and programmatic guidelines.

Under normal circumstances and program requirements, only 15% of CDBG funds can be awarded to public services each grant year. However, given the circumstances and urgent needs, HUD has waived the 15% cap on public services for the supplemental CDBG-CV funds. This waiver provides additional program flexibility for funding a wider range of activities to respond to COVID-19 needs.

Based on the entitlement allocations, Arapahoe County has up to \$525,945.60 and the City of Centennial has up to \$174,191.78 to award to eligible projects, including public services. These figures

are based on the standard deduction for program administration costs of 20% for Arapahoe County and 18% for City of Centennial.

Discussion

HCDS staff is recommending the following funding allocations for Arapahoe County's CDBG-CV funds:

- \$200,000 – Emergency Rent/Mortgage/Utility Assistance
 - Administered in-house by HCDS staff in conjunction with also providing additional rental assistance through the Community Services Block Grant (CSBG) program.
- \$150,000 - City of Aurora - Quality Inn Homeless & COVID-19 Housing
 - Joint project between the City of Aurora, Adams County and Arapahoe County with additional community partners to provide safe housing for the homeless population coming out of the hospital, recovering from COVID-19, or those that are symptomatic and need to be isolated. Our current IGA is for \$100,000 but in the event this agreement needs to be extended we felt that setting aside these funds now would be the prudent option. If they are not used for this project, we will address moving them to another area of need in the future.
- \$125,000 – Emergency Food Assistance
 - Support to local non-profits addressing the needs of residents through food banks and meals on wheels programs.
 - Initial recommendation is to divide the \$125,000 amongst 3-5 organizations to reach different vulnerable populations.
 - To include, but not limited to: Integrated Family Community Services (IFCS), Project Angel Heart (PAH), TLC Meals on Wheels dba Nourish, Aurora Interfaith Community Services (AICS), Littleton Life Center, and GraceFull Café.
- \$25,000 – Health Care
 - Support to health care agencies to address the growing demand and need for health care coverage information, enrollment and services.
 - Likely to support Doctors Care
- \$25,000 – Emergency Housing (Hotel/Motel Vouchers)
- \$131,486.40 – Program Administration
 - A portion of the administration funds will be used to support two new grant funded positions to assist with administering the CDBG-CV funds and the CSBG funds, including a focus on the in-house Emergency Rent/Mortgage/Utility assistance program and Emergency Housing program for hotel/motel vouchers.

The City of Centennial is a separate entitlement community, which is administered by Arapahoe County HCDS staff. The City of Centennial's City Council has approved the reallocations of CDBG funds previously earmarked and approved for public facility/infrastructure projects, as well as the CDBG-CV funding allocations presented below:

HCDS staff is recommending the following funding allocations for City of Centennial's CDBG-CV funds:

- \$100,000 – Emergency Rent/Mortgage/Utility Assistance
 - Administered in-house by HCDS staff, but strictly limited to City of Centennial residents.
- \$74,192 – Emergency Food Assistance

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- Support to local non-profits addressing the needs of residents through food banks and meals on wheels programs.
- Initial recommendation is to divide the \$74,192 amongst 2-3 organizations to reach different vulnerable populations.
- To include, but not limited to: Project Angel Heart (PAH), TLC Meals on Wheels dba Nourish.
- \$38,237.22 - Program Administration
 - A portion of the administration funds will be used to support two new grant funded positions to assist with administering the CDBG-CV funds and CSBG funds, including a focus on the in-house Emergency Rent/Mortgage/Utility assistance program and Emergency Housing program for hotel/motel vouchers.

HCDS staff is also recommending the following reallocation of City of Centennial's CDBG funds previously approved for a public facility/infrastructure project that was to be determined:

- \$75,000 – Emergency Food Assistance
 - Additional support to local non-profits addressing the needs of Centennial residents.
- \$100,000 – Emergency Rent/Mortgage/Utility Assistance
 - Additional support to residents to provide rent/mortgage/utility assistance to Centennial residents
- \$61,221 – Health Care
 - Additional support to health care agencies to address the growing demand and need for health care coverage information, enrollment and services.

* HUD has issued a waiver for the 15% public service cap, which allows for the proposed reallocation of funds to public services activities.

Links to Align Arapahoe

CDBG funds link to Align Arapahoe in each of the three goals, Service First, Fiscal Responsibility and Quality of Life. By design, the CDBG program and our funding decisions start with analyzing the needs of the community and providing goods, services and housing that are consistent with those needs of our residents and communities. Through our funding awards, Arapahoe County is demonstrating a commitment to providing quality services to our residents. By awarding CDBG funds to entities who complete community development projects, Arapahoe County is making a responsible fiscal impact that addresses the needs of our communities and residents and demonstrates our role as good stewards of public funds. The overall goal of the CDBG program is to develop viable communities and support low- and moderate income residents, thereby improving our residents' overall quality of life.

Alternatives

The BOCC may recommend an alternative distribution of funds.

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Fiscal Impact

The CARES Act CDBG-CV funds are allocated by the U.S. Department of Housing and Urban Development. Therefore, the allocation and use of these funds will not impact Arapahoe County general funds.

Attorney Comments

Reviewed By:

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