

COUNCIL COMMUNICATION

	Number: 20-189	Meeting: May 4, 2020
	Agenda Item: 56	Roll Call: [_____]
	Submitted by: Chris Johansen, Community Development Director	

AGENDA HEADING:

Public hearing for approval of the amendments to the 2019 Action Plan and Citizen Participation Plan for the U.S. Department of Housing and Urban Development (HUD) 2015-2019 Consolidated Plan.

SYNOPSIS:

As an entitlement city, the City of Des Moines annually receives allocations of Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) funding. To receive the funding, the city must annually submit an application and plan to HUD, or an Action Plan, which outlines how funding will be used. When substantial changes in how funding is used, such as in the case of funding activities to address COVID-19 (CV), the city must amend its most recently approved Action Plan with an opportunity for public comment. Similarly, any substantial changes to the Citizen Participation Plan also require an amendment process with opportunity for public comment.

FISCAL IMPACT:

Amount: \$2,231,212 in CDBG-CV and \$1,108,334 in ESG-CV funds from HUD; \$500,000 from City of Des Moines

Funding Source: HUD and Economic Development Enterprise Fund

ADDITIONAL INFORMATION:

- On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which provides additional CDBG-CV and ESG-CV funding to prepare, prevent, and respond to coronavirus. From the CARES Act, HUD allocated \$2,231,212 in CDBG-CV and \$1,108,334 in ESG-CV funds to the City of Des Moines in addition to its regular annual allocation of CDBG, HOME, and ESG funding.
- The proposed activities for CDBG-CV funds include:
 - small business relief
 - housing subsistence payments
 - emergency food distribution
- ESG-CV proposed uses include rapid rehousing assistance, homelessness prevention, and emergency shelter.

- CDBG-CV funds of \$446,242 will be used for administration.
- CDBG-CV funds of \$750,000, plus \$500,000 in general funds from the Economic Development Enterprise Fund, will be available from the small business relief fund. Funds will be for financial assistance to private for-profit businesses to provide operating capital. The form of assistance will be forgivable loans up to \$10,000. At least 200 businesses will be assisted. Applications will be distributed by the Greater Des Moines Partnership (Partnership). All money contributed by the City of Des Moines will be awarded to businesses within the City. Additional funding from Polk County and the Partnership will also be available.
- CDBG-CV funds of \$684,970 will be granted to IMPACT Community Action Partnership (IMPACT) for housing subsistence payments. Payments for rent and mortgages will be made on behalf of low-income households and families who have fallen behind on their housing payments as a result of COVID-19. Clients will apply to IMPACT and may receive up to three (3) months of housing subsistence payments paid directly to their landlord or lender. Payments for mortgages may include taxes and insurance. Assistance per household will be determined by proof of housing costs with a cap determined by Fair Market Rent. At least 250 households will be assisted.
- CDBG-CV funds of \$350,000 will be dedicated to emergency food distribution per the discussion at the special City Council meeting on April 27, 2020.
- Polk County Continuum of Care (CoC) recommends the following uses for ESG-CV:
 - \$110,833 for administration
 - \$33,250 for administration of the Homeless Management Information System (HMIS)
 - \$20,000 for centralized intake
 - \$472,250.50 for rapid rehousing
 - \$330,487.85 for homelessness prevention
 - \$141,637.35 for emergency shelter
- City staff reached out to several organizations to identify gaps in local coronavirus response, best uses of program funds, program requirements for streamlined delivery of funding, and general feedback on the proposed activities. Consulted groups included Polk County Housing Trust Fund, Greater Des Moines Habitat for Humanity, Polk County Health Services, Des Moines Public Schools, Greater Des Moines Partnership, and the Mid-Iowa Health Foundation.
- Because the small business relief fund and housing subsistence payments were not included in the 2019 Action Plan, the City must make a substantial amendment to the 2019 Action Plan to include them. In addition, because the City has condensed its comment period from 30 days to five (5) days and will conduct virtual public hearings due to public gathering limitations, it must amend its Citizen Participation Plan.

PREVIOUS COUNCIL ACTION(S):

Date: April 20, 2020

Roll Call Number: [20-0617](#)

Action: [On](#) amendment to the 2019 Action Plan for the U.S. Department of Housing and Urban Development (HUD) Consolidated Plan, (5-4-20). Moved by Gatto to adopt. Motion Carried 7-0.

Date: November 5, 2018

Roll Call Number: [18-1867](#)

Action: [On](#) the proposed 2019 Action Plan for the U.S. Department of Housing and Urban Development (HUD) 2015-2019 Consolidated Plan. Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Upcoming actions will include approving the grant agreements from HUD, approving grant agreement(s) with subrecipients, and approving the Consolidated Annual Performance and Evaluation Report (CAPER) indicating how funds were used.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.