

COUNCIL COMMUNICATION

	Number:	20-242	Meeting:	June 8, 2020
	Agenda Item:	31	Roll Call:	20-0912
	Submitted by:	Chris Johansen, Community Development Director		

AGENDA HEADING:

Approval of 2020 Supplemental Community Development Block Grant (CDBG) and Emergency Solution Grant (ESG).

SYNOPSIS:

Recommend Council approval of grant agreements by and between the US Department of Housing and Urban Development (HUD) and the City of Des Moines, whereby the City will receive supplemental CDBG and ESG funding (grant awards) through the Coronavirus Aid, Relief and Economic Security (CARES) Act to enable Des Moines to prevent, prepare for, and respond to coronavirus through providing quality subsidized housing and expanding economic opportunities for low-and moderate-income persons.

FISCAL IMPACT:

Amount: \$3,339,546

Funding Source: Fiscal Year (FY) 2019-2020 Operating Budget, Community Development: Special Revenue Funds, CDBG Fund, Page 61; HOME Fund, Page 61; Homeless Fund, Page 61.

ADDITIONAL INFORMATION:

- On March 27, 2020, President Trump signed the 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, in addition to its regular annual allocation of CDBG, HOME, and ESG funding.
- 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 for the small business relief program. Funds will be used for financial assistance to private for-profit businesses with employees of 0-30 that have been adversely impacted by COVID-19. The form of assistance will be grants from \$1,000 up to \$10,000 to be used for operating capital. Applications will be distributed by the Greater Des Moines Partnership (Partnership), who has contracted with the Iowa Center for

Economic Success to screen and score the applications. Final decisions on grant awards will be made by the City. City staff will be working with the Iowa Empower Fund in reviewing applications. All money contributed by the City 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 granted to Central Iowa Shelter & Services (CISS) for emergency food distribution. CISS will work with a minimum of six (6) separate Des Moines restaurants/caterers to provide hot meals in low/mod census tracts in all four (4) Council wards.
- The specific funding allocations to agencies will return to Council for final approval during a future Council meeting. During the May 4, 2020 City Council meeting, the Council approved 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

PREVIOUS COUNCIL ACTION(S):

Date: May 4, 2020

Roll Call Number: [20-0792](#)

Action: [On](#) amendment to the 2019 Action Plan and Citizen Participation Plan for the U.S. Department of Housing and Urban Development (HUD) 2015-2019 Consolidated Plan. ([Council Communication No. 20-189](#)) Moved by Mandelbaum to adopt. Refer to the City Manager to require additional detail on small business relief program, 50% of funds to people of color and women-owned businesses; direct that 50% of funds be used for payroll and add a condition that they comply with CDC recommendations including mask wear. Emergency food distribution to start right away. Seek out approval steps and compliance with requirements from HUD. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Staff will recommend ESG funding allocation for Council approval during a future Council meeting.

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