


COUNCIL COMMUNICATION

	Number:	21-139	Meeting:	March 22, 2021
	Agenda Item:	19	Roll Call:	21-0462
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Reprogramming of prior years' unspent Community Development Block Grant (CDBG) funding to the 2021 Consolidated Plan Program Year under the US Department of Housing and Urban Development (HUD).

SYNOPSIS:

Some of the City's CDBG program allocations from previous years were not fully expended. As a result, certain unexpended funds are being proposed for reprogramming into different activities in the 2021 program year.

FISCAL IMPACT:

Amount: \$1,099,028 in CDBG funds

Funding Source: Fiscal Year (FY) 2021 Operating Budget, Community Development: Special Revenue Funds, CDBG Fund, Page 55; HOME Investment Partnerships Program (HOME) Fund, Page 55; Homeless Fund, Page 55.

ADDITIONAL INFORMATION:

- On November 9, 2020, the City Council approved the 2021 Action Plan, which outlines the City's intended uses for federal funds for the upcoming program year. The activities and funding amounts were estimated based on the 2020 allocation.
- On February 25, 2021, HUD notified the City of its actual allocation amounts for the CDBG, HOME, and Emergency Solutions Grant (ESG). The differences between the estimated amounts versus the actual amounts in 2021 are below:

Program	2021 Estimated	2021 Actual	Difference
CDBG	\$ 3,792,276	\$ 3,831,716	\$ 39,440
HOME	\$ 1,015,798	\$ 981,236	\$ (34,562)
ESG	\$ 321,417	\$ 323,465	\$ 2,048
TOTAL	\$ 5,129,491	\$ 5,136,417	\$ 6,926

- Unexpended federal funding from previous years totals \$1,099,028. The breakdown of unexpended funds is below:

Project Description	Contract Amount	Unexpended CDBG Balance
Administration (2019)	\$ 731,594.00	\$ 101,948.88
Administration (2020)	\$ 758,455.00	\$ 279,143.07
Central Iowa Shelter & Services	\$ 375,000.00	\$ 5,497.22
NCS - Homeowner Rehab (2018)	\$ 633,816.00	\$ 239,003.00
NCS - Homeowner Rehab (2019)	\$ 633,816.00	\$ 318,888.05
NID - Code Enforcement/NHBSD	\$ 1,616,184.00	\$ 154,547.99
	TOTAL	\$ 1,099,028.21

- It is anticipated there will be approximately \$200,000 in program income in 2021 from CDBG programs as well. See the total available amount below:

Available Resources	CDBG Funding
2021 Annual HUD Allocation (not including COVID funds)	\$ 3,831,716
Anticipated Program Income	\$ 200,000
Prior Year Resources	\$ 1,099,028
	Totals \$ 5,130,744

- With the increase in CDBG funds between program years 2020 and 2021 in combination with the unexpended balances in the above table and program income, activity funding levels have been adjusted since those initially approved in November. Staff recommends, and the City Manager concurs, reprogramming to increase funding for affordable housing development (Housing Opportunities) and park rehabilitation in low- or moderate-income areas (Public Facilities):
 - Housing Opportunities increase of \$830,070 from \$633,816 to \$1,463,886
 - Public Facilities increase of \$500,000 from \$209,326 to \$709,326
- HOME and ESG programs do not have any proposed reprogramming of unexpended funds.

PREVIOUS COUNCIL ACTION(S):

Date: November 9, 2020

Roll Call Number: [20-1771](#)

Action: [On](#) amendment to the 2019 Action Plan for the U.S. Department of Housing and Urban Development (HUD) 2015-2019 Consolidated Plan, (11-23-20). Moved by Boesen to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Grant agreements for the 2021 CDBG, HOME, and ESG funds will be on an upcoming Council agenda for approval.

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