



Roll Call Number

20-0912

Agenda Item Number

31

Date June 8, 2020

APPROVAL OF 2020 SUPPLEMENTAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND EMERGENCY SOLUTIONS GRANT (ESG) AGREEMENTS WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), AND APPROVAL OF ADMINISTRATION AND FUNDING OF CITY'S SMALL BUSINESS RELIEF PROGRAM

WHEREAS, on March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which provides additional Community Development Block Grant (CDBG-CV) and Emergency Solutions Grant (ESG-CV) funding to prepare, prevent, and respond to coronavirus; and

WHEREAS, on April 2, 2020, the U.S. Department of Housing and Urban Development (HUD) allocated to the City of Des Moines \$2,231,212.00 in CDBG-CV and \$1,108,334.00 in ESG-CV funds for activities to respond to the public health crisis; and

WHEREAS, on May 4, 2020, by Roll Call No. 20-0792, the City Council approved amendments to the 2019 Action Plan and Citizen Participation Plan for the HUD 2015-2019 Consolidated Plan; and

WHEREAS, the 2019 Consolidated Plan is a community-wide development strategy designed to meet the needs of low- and moderate-income persons residing in the City of Des Moines, and includes a five-year strategy and one-year action plan for 2019 Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) funds, SF 424 application forms and required certifications, and a Citizen Participation Plan which complies with HUD regulations; and

WHEREAS, HUD has now forwarded two Grant Agreements and Funding Approvals for \$2,231,212.00 (CDBG-CV) and \$1,108,334.00 (ESG-CV), as on file with the City Clerk and by this reference made a part hereof, which represent grant awards for use in the City's 2019 CDBG and ESG programs to be used in accordance with Council Communication No. 20-242, attached hereto and by this reference made a part hereof; and

WHEREAS, on May 4, 2020, by Roll Call No. 20-0792, City Council further authorized and directed the Director of the Office of Economic Development to work with the Greater Des Moines Partnership ("Partnership") for review and approval of an application form and process to be prepared to offer financial assistance to Des Moines' private for-profit small businesses who have been adversely affected by COVID-19 through use of an application program administered by or on behalf of the Partnership, with an anticipated program cost in the amount



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of \$750,000.00 CDBG-CV funds as well as \$500,000.00 in matching funds from the City's Economic Development Enterprise Fund; and

WHEREAS, additional funding for the small business relief program has been committed from Polk County (approximately \$100,000.00) and the Partnership through private fundraising (approximately \$320,000.00); and

WHEREAS, the City's Office of Economic Development, in coordination with the City's Community Development Department, have worked with the Partnership and with the Iowa Empower Fund on receipt and review of applications, and are recommending the following small business relief program criteria:

- Funds will be used for financial assistance to private for-profit businesses with 0-30 (full-time equivalent basis) employees that have been adversely impacted by COVID-19;
- Form of assistance will be grants from \$1,000.00 to \$10,000.00 to be used for operating capital, for the purpose of job retention;
- All money contributed by the City of Des Moines, as well as the City's share of matching funds from Polk County and the Partnership private fundraising, will be awarded to businesses with a physical location in Des Moines;
- Eligible business include retail, personal services, and restaurants; ineligible businesses include professional services, non-profit organizations, short-term commercial rentals, adult entertainment, tobacco and cigarette shops, check cashing services, bail bonds, and auto sales/salvage;
- Applicants awarded the full \$10,000.00 award shall be required to devote fifty percent (50%), or \$5,000.00, of said award to payroll costs;
- Final application approval decisions are to be made following review by the Office of Economic Development;
- Grants funded by CDBG-CV funds shall comply with all CDBG-CV federal requirements, including but not limited to record retention, prevention of duplication of benefits, high-poverty area mapping or low-moderate income job verification, and evaluation and selection of grant recipients in accordance with Appendix A to 24 CFR 570, "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements".

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa:

1. That the above referenced Grant Agreements by and between HUD and the City of Des Moines, whereby the City will receive grant awards of \$2,231,212 (CDBG-CV) and \$1,108,334 (ESG-CV) funding are hereby approved.



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2. That the Mayor is hereby authorized and directed to execute the above referenced Grant Agreements and the City Clerk to attest to his signature.
3. That the Community Development Director and designees are authorized and directed to administer the Grant Agreements in accordance with the funding and programs described in Council Communication No. 20-242.
4. That the Office of Economic Development is authorized and directed to administer the City's small business relief program in accordance with the above-listed criteria and similar requirements, and in accordance with the CDBG-CV federal requirements when applicable; the City Manager is authorized to execute all grant agreements for said program following approval as to form by the Legal Department; and the Finance Department is authorized and directed to issue grant payments as required by said program.

(Council Communication No. 20-242)

MOVED BY Gatto TO ADOPT.

APPROVED AS TO FORM:

/s/ Glenna K. Frank
Glenna K. Frank
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
VOSS	✓			
WESTERGAARD	✓			
TOTAL	7			

CERTIFICATE

I, P. KAY CMELIK, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

J. M. Frank
Mayor

P. Kay Cmelik

City Clerk