



STAFF REPORT – CITY COUNCIL MEETING

July 01, 2020

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development
Jennifer Dart, Deputy Director of Community Development

PREPARER: Jennifer Dart, Deputy Director of Community Development

DATE: June 23, 2020

TITLE: **Public Scoping Hearing on Potential Projects for Funding Under the State Community Development Block Grant Program Coronavirus Response Round 1 (CDBG-CV1) Notice of Funds Availability (NOFA).**

RECOMMENDATION:

It is recommended that the Council:

1. Open the Public Hearing and receive public comment on potential projects for funding under the CDBG-CV1 NOFA;
2. Provide direction to staff regarding the activities for which the City should draft an application; and
3. Direct Staff to notice a hearing to authorize submission of the City's CDBG-CV1 application.

INTRODUCTION:

The State Department of Housing and Community Development (HCD) released the Community Development Block Grant Program-Coronavirus Response Round 1 (CDBG-CV1) NOFA on June 5, 2020, which has an application deadline of August 31, 2020. Staff recommends the Council select up to three activities for the CDBG-CV1 NOFA and direct staff to notice a hearing authorizing submission of the application.

DISCUSSION:

Approximately \$18.7 million in new CDBG-CV1 federal funds authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, will be allocated to eligible jurisdictions to perform Activities related to COVID-19 response and recovery. The CARES Act provides extra CDBG funds specifically targeted to prevent, prepare for, and respond to coronavirus. The City is eligible to apply for a total of three (3) eligible activities (attachment A) with the total request not exceeding Arcata's CDBG-CV1 allocation of \$147,657. Activities funded under this NOFA will have a 12-month expenditure period and must show a relationship between the need for services and COVID-

19 impacts. At least 70 percent of the funds awarded shall benefit low- to moderate-income individuals or households.

Applicants are required to ensure that each CDBG-CV1 Activity provides assistance only to the extent that the project's funding needs have not been met by another source. Section 312 of the Stafford Act prohibits federal agencies from providing assistance to any "person, business concern, or other entity" for any loss to which the entity has already received financial assistance from another source (42 USC § 5155(a)). A Duplication of Benefits occurs when a program beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular funding need. The City will be required to complete duplication documentation at application and will be required to continue to report on duplications throughout the expenditure period for the CDBG-CV1 funds.

Staff has compiled a list of potential programs and projects (attachment B) for Council to consider for the CDBG-CV1 allocation. Council may chose a maximum of three (3) activities. Staff requests that if Council decides to apply for multiple activities that they identify the priority of each activity selected and funding amount they would like to seek for each activity. Staff received a proposal from Department of Health and Human Services (DHHS) for the Mobile Intervention and Services Team (MIST) project and additional public comment (attachment C).

Staff recommends the Council select the Arcata House Partnership project extending sewer and water to the Boyd Road shelter. This project will allow the installation of the State funded trailers on that site and assist in housing homeless individuals currently at high-risk of contracting COVID-19. The City has been working with the County and Arcata House Partnership to move from temporary camp locations to more stable housing and this project would allow for additional capacity at the Boyd Road shelter.

BUDGET/FISCAL IMPACT:

The NOFA allows for grantees to use a total of 17 percent of the allocation for program administration costs.

ATTACHMENTS:

- A. Eligible Activities (PDF)
- B. Potential CDBG-CV1 Programs and Projects (PDF)
- C. Public Comment (PDF)