

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	April 4, 2022
Action Required:	Resolution: Minor Amendment CDBG Action Plan (1 reading, no public hearing required)
Presenter:	Erin Atak, Grants Coordinator
Staff Contacts:	Erin Atak, Grants Coordinator
Title:	CDBG-CV3 2020-2021 Charlottesville Redevelopment and Housing Authority Contingency Plan

Background:

This agenda item includes a resolution for the FY2020-2021 minor action plan amendment Community Development Block Grant Coronavirus funds received by the City of Charlottesville from the U.S. Department of Housing and Urban Development (HUD). The City of Charlottesville was authorized to receive a special allocation of Community Development Block Grant Coronavirus (CDBG-CV3) funding from the United States Department of Housing and Urban Development (HUD) through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136; to respond to the growing effects of the historic public health crisis. Funds are aimed to prevent, prepare for, and respond to the coronavirus. The City of Charlottesville CDBG-CV3 program total has been granted \$335,024 for the 2020-2021 program year. It is important to note that all projects underwent an extensive review as a result of the RFP process.

In Fall 2020, the City of Charlottesville advertised a Request for Proposals (RFP) based on the priorities set by Council on September 21, 2020. The priorities were for affordable housing (priority for persons who are 0-50 percent AMI, including but not limited to low-income housing redevelopment), support for the homelessness and those at risk of homelessness, workforce development (including but not limited to efforts to bolster section 3 training opportunities and partnerships with the City's GO programs), microenterprise assistance, access to quality childcare, homeowner rehabilitation and down payment assistance.

On November 12, 2020, the CDBG/HOME Task Force reviewed and recommended housing and public service projects for funding and the Strategic Action Team reviewed and recommended economic development projects for funding. On January 19, 2021, City Council considered and approved the CDBG-CV3 budget for the 2020-2021 HUD Annual Action plan submittal.

Discussion:

On January 19, 2021 Charlottesville Redevelopment and Housing Authority (CRHA) was awarded **\$91,485.94** CDBG-CV 3 FY2021-2022 funds to provide one month emergency covid related rent and eviction diversion housing counseling.

On March 17, 2022, CRHA requested to enact the contingency plan to spend their **balance of \$60,938.28** of CDBG-CV3 funding on an expanded scope of work to assist 100 families that are at risk of being evicted. The remaining balance will cover up to six months covid rental emergency rental assistance.

The original scope of work proposed funding the following:

- Hiring one Housing Stabilization Coordinator for a three-year period,
- Covering one month's covid rental assistance

With this request, CRHA proposes to expand their scope of work to increase spending by covering up to six months' worth of covid related back rental assistance with CRHA public housing residents. The change of scope of work will assist CRHA and the City to meet HUD CDBG timeliness deadlines.

All CDBG and HOME applicants are required to provide reasonable assurances regarding the achievement of objectives in three categories: 1) Effectiveness and efficiency of operations; 2) Reliability of reporting for internal and external use; and 3) Compliance with applicable laws and regulations. All non-federal entities must submit internal controls documents to comply with federal statutes, regulations, and the terms and conditions of the CDBG/HOME federal award. Internal controls are a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. These objectives and risks can be classified by operations, reporting, and compliance. To assist with CDBG timeliness requirements, HUD 24 CFR 570.902(a), CDBG and HOME subrecipients may request to enact the contingency plan from the submitted internal controls checklist.

Community Engagement:

A request for proposals was held for economic development, public facilities, and public service programs. Applications received were reviewed by the CDBG Task Force or the Strategic Action Team (SAT). Twelve interested applicants inquired about the program, and a total of eight applicants submitted a final application for review. A notice of the December 8, 2020 Planning Commission Public Hearing was placed in the Daily Progress for a 15-day public comment period on November 24, 2020. Members of the public were given the opportunity to voice their opinions during the HUD authorized expedited 5-day public comment period between January 4, 2021 through January 8, 2021; and the joint virtual CDBG/HOME and Strategic Action Team public meeting on November 12, 2020; and at the virtual public hearing at City Council on January 19, 2021. HUD authorized an expedited 5-day public comment period on April 2, 2020 to prevent, prepare for, and respond to the coronavirus with the goal to quickly appropriate funds to eligible activities.

If council approves the request, then Council's approval will be submitted to HUD as a minor Action Plan Amendment for the 2020-2021 fiscal year. The full action plan can be viewed on the City Website through the following [link](#). Minor Action Plan Amendments do not require a public hearing.

Alignment with City Council's Vision and Strategic Plan:

Approval of this agenda item aligns directly with Council's vision for Charlottesville to have **Economic Sustainability, A Center for Lifelong Learning, Quality Housing Opportunities**

for All, and A Connected Community. It contributes to variety of Strategic Plan Goals and Objectives including: Goal 1: Inclusive, Self-sufficient Community; Goal 3: Beautiful Environment; Goal 4: Strong, Diversified Economy; and Goal 5: Responsive Organization.

Budgetary Impact: None

Alternatives: None

Recommendation:

Staff recommends approval of CRHA's Requested FY2020-2021 change of scope of work

Attachments:

- Resolution for Minor 2020-2021 Action Plan Amendment
Recommended Motion: "I move the RESOLUTION Approving a minor amendment to the City's FY2020-2021 CDBG Action Plan, to authorize the Charlottesville Redevelopment and Housing Authority to implement a contingency plan to expend its CDBG funding on or before June 30, 2026"
- HUD's *Quick Guide to Eligible CDBG Activities to Support Coronavirus and Other Infectious Disease Response*

RESOLUTION

Approving a minor amendment to the City's FY2020-2021 CDBG Action Plan, to authorize the Charlottesville Redevelopment and Housing Authority to implement a contingency plan to expend its CDBG funding on or before June 30, 2026

WHEREAS on May 7, 2018 the Charlottesville City Council approved a Consolidated Plan for the City of Charlottesville and the Thomas Jefferson Planning District, covering the period from July 1, 2018 through June 30, 2023, which sets forth a plan to provide support for certain community development needs—including, but not limited to—housing needs, within those jurisdictions; and

WHEREAS the Consolidated Plan includes a citizen participation plan, and Sec. 2-419(10) specifies that, once City Council has approved and funded a program, any reprogramming and budgetary changes will be done consistent with the approved citizen participation plan;

WHEREAS the Consolidated Plan is implemented during the coverage period through certain “Action Plans”, the most recent of which is designated as the “FY 2020-2021 Action Plan” previously approved by resolution of City Council on May 3, 2021; and

WHEREAS within the FY2020-2021 Action Plan the Charlottesville Redevelopment and Housing Authority was selected as a subrecipient of CDBG-CV3 funding from the City, in the amount of \$91,485.94, to pay for up to six months’ worth of emergency covid related rental assistance, with a target of June 30, 2026, for expenditure of the funding in accordance with the approved project; and

WHEREAS the Charlottesville Redevelopment and Housing Authority (CRHA) requests a modification of their approved project, to provide six month emergency rental assistance to 100 income qualified families to prevent, prepare for, and respond to the coronavirus, and CRHA represents that the modification is necessary to allow for the timely expenditure of all awarded funding by June 30, 2026 (“contingency plan”), and federal regulations specify that this type of modification must be approved by City Council as a minor amendment of the City’s FY2020-2021 Action Plan; and

WHEREAS the requested Minor Amendment of the FY2020-2021 Action Plan does not change the amount of CDBG funding previously approved for CRHA; and

WHEREAS this Council is satisfied on the basis of the information presented within the staff report, that the proposed Minor Amendment of the FY2020-2021 Action Plan has been brought forward in accordance with the approved citizen participation plan, as required by City Code §2-419(10); now, therefore

BE IT RESOLVED that the Charlottesville City Council hereby approves a Minor Amendment of the City’s FY2020-2021 Action Plan, to authorize CRHA the Charlottesville Redevelopment and Housing Authority to expend their remaining **balance (\$60,938.28)** of CDBG-CV3 funding on an expanded scope of work to assist 100 families that are at risk of being evicted with up to six months of covid rental emergency rental assistance.

	Original Approved Project Approved by Council within the FY2020-2021 Action Plan	Contingency Plan— modifications proposed by CRHA
Project Name	CRHA Eviction Diversion Program	No change
Target Area	City of Charlottesville	No change
Goals Supported	Affordable Housing (including but not limited to low-income housing redevelopment, priority for households at 0-50% of the area median income)	No change
Needs Addressed	Affordable Housing	No change
Funding	CDBG: \$91,485.94	No change
Description	Charlottesville Redevelopment and Housing Authority will be providing emergency rental assistance to 100 residents with six months rental assistance who have been affected by the covid-19 global health pandemic.	Changes: CRHA expanded their CDBG scope of work to include pay for six months worth of emergency rental assistance affected by the COVID-19 pandemic.
Target Date	6/30/2026	No change
Estimate the number and type of families that will benefit from the proposed activities	100 public housing families (residents)	Changes: The Housing Stabilization Coordinator will no longer be funded.
Location Description	City of Charlottesville	No change
Planned Activities	Charlottesville Redevelopment and Housing Authority will be providing emergency rental assistance to 100 residents with six months rental assistance who have been affected by the covid-19 global health pandemic.	Changes: To improve housing stability for families served in CRHA’s housing programs through developing and implementing CRHA Eviction Diversion program. The objective is to provide people who are at immediate risk of homelessness with access to housing and support services in order to reduce the likelihood of continued homelessness and to reduce the number of evictions in public housing households.

Quick Guide to CDBG Eligible Activities to Support Coronavirus and Other Infectious Disease Response

REVISED April 6, 2020

Grantees should coordinate with local health authorities before undertaking any activity to support state or local pandemic response. Grantees may use Community Development Block Grant (CDBG) funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus.

Examples of Eligible Activities to Support Coronavirus and Other Infectious Disease Response

<i>For more information, refer to applicable sections of the Housing and Community Development Act of 1974 (for State CDBG Grantees) and CDBG regulations (for Entitlement CDBG grantees).</i>	
Buildings and Improvements, Including Public Facilities	
Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements. <i>See section 105(a)(2) (42 U.S.C. 5305(a)(2)); 24 CFR 570.201(c).</i>	Construct a facility for testing, diagnosis, or treatment.
	Rehabilitate a community facility to establish an infectious disease treatment clinic.
	Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment.
Rehabilitation of buildings and improvements (including interim assistance). <i>See section 105(a)(4) (42 U.S.C. 5305(a)(4)); 24 CFR 570.201(f); 570.202(b).</i>	Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system.
	Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery.
	Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis.
Assistance to Businesses, including Special Economic Development Assistance	
Provision of assistance to private, for-profit entities, when appropriate to carry out an economic development project. <i>See section 105(a)(17) (42 U.S.C. 5305(a)(17)); 24 CFR 570.203(b).</i>	Provide grants or loans to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.
	Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons.
Provision of assistance to microenterprises. <i>See section 105(a)(22) (42 U.S.C. 5305(a)(22)); 24 CFR 570.201(o).</i>	Provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine.

Provision of New or Quantifiably Increased Public Services	
Following enactment of the CARES Act ¹ , the public services cap ² has no effect on CDBG-CV grants and no effect on FY 2019 and 2020 CDBG grant funds used for coronavirus efforts. <i>See section 105(a)(8) (42 U.S.C. 5305(a)(8)); 24 CFR 570.201(e).</i>	Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
	Provide testing, diagnosis or other services at a fixed or mobile location.
	Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
	Provide equipment, supplies, and materials necessary to carry-out a public service.
	Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.
Planning, Capacity Building, and Technical Assistance	
States only: planning grants and planning only grants. <i>See section 105(a)(12).</i>	Grant funds to units of general local government may be used for planning activities in conjunction with an activity, they may also be used for planning only as an activity. These activities must meet or demonstrate that they would meet a national objective. These activities are subject to the State's 20 percent administration, planning and technical assistance cap.
States only: use a part of to support TA and capacity building. <i>See section 106(d)(5) (42 U.S.C. 5306(d)(5)).</i>	Grant funds to units of general local government to hire technical assistance providers to deliver CDBG training to new subrecipients and local government departments that are administering CDBG funds for the first time to assist with infectious disease response. This activity is subject to the State's 3 percent administration, planning and technical assistance cap.
Entitlement only: data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans. <i>See 24 CFR 570.205.</i>	Gather data and develop non-project specific emergency infectious disease response plans.

Planning Considerations

Infectious disease response conditions rapidly evolve and may require changes to the planned use of funds:

- CDBG grantees must amend their Consolidated Annual Action Plan (Con Plan) when there is a change to the allocation priorities or method of distribution of funds; an addition of an activity not described in the plan; or a change to the purpose, scope, location, or beneficiaries of an activity (24 CFR 91.505).
- If the changes meet the criteria for a “substantial amendment” in the grantee’s citizen participation plan, the grantee must follow its citizen participation process for amendments (24 CFR 91.105 and 91.115).
- Under the CARES Act, CDBG grantees may amend citizen participation and Con Plans concurrently in order to establish and implement expedited procedures with a comment period of no less than 5-days.

Resources

The Department has technical assistance providers that may be available to assist grantees in their implementation of CDBG funds for activities to prevent or respond to the spread of infectious disease. Please contact your local CPD Field Office Director to request technical assistance from HUD staff or a TA provider.

- Submit your questions to: CPDQuestionsAnswered@hud.gov
- Coronavirus (COVID-19) Information and Resources: <https://www.hud.gov/coronavirus>
- CPD Program Guidance and Training: <https://www.hudexchange.info/program-support/>

¹ On March 27, 2020, President Trump approved the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act). The CARES Act makes available \$5 billion in CDBG coronavirus response (CDBG-CV) funds to prevent, prepare for, and respond to coronavirus.

² Section 105(a)(8) of the HCD Act caps public service activities at 15 percent of most CDBG grants. Some grantees have a different percentage cap.