

**Project title:** Everett Cares CDBG Plan Amendments

## City Council Agenda Item Cover Sheet

**Council Bill #** *interoffice use*

**Project:** Everett Cares CDBG Plan Amendments

**Partner/Supplier :** HUD

**Location:**

**Preceding action:** *Citizen Advisory Committee Recommendation Hearing 4/20/2020*

**Fund:** 198/ CDBG

**Agenda dates requested:**

4/29/2020

Briefing

Proposed action

Consent

Action X

Ordinance

Public hearing

Yes  No

**Budget amendment:**

Yes  No

**PowerPoint presentation:**

Yes  No

**Attachments:**

To come

**Department(s) involved:**

CPED

**Contact person:**

Julie Willie

Becky McCrary

Dan Eernisse

**Phone number:**

425 257 7120

**Email:**

jwillie@everettwa.gov

**Initialed by:**

Department head

Administration

Council President

**Project summary statement:** On March 27, 2020, the \$2 Trillion-dollar Coronavirus Aid, Relief, and Economic Security Act (CARES) was passed into law to provide economic and financial support during the Nation's COVID-19 Pandemic crisis. Money has been made available through several mechanisms to reach individuals and communities including additional CDBG-CV funds to entitlement jurisdictions.

The City was notified that it will receive \$534,121 in additional CDBG funds that must be used to fund activities that prevent, prepare for, and respond to COVID-19 relief. Additionally, jurisdictions may use any unused 2019 CDBG funds to supplement these activities. Currently, there are approximately \$500,000 in unused funds for various reasons available from the 2019 CDBG annual allocation from HUD. HUD has also waived the 15% cap on use of CDBG-CV for Public Services. Staff proposes to use the funds as follows:

- Provide working capital grants of up to \$10,000 to non-profit and for-profit microenterprises and for-profit small businesses experiencing economic damage as allowed under HUD rules and regulations totaling \$500,000. Priority will be given to businesses owned, employing, or serving low income communities experiencing inequities;
- Provide \$500,000 in CDBG-CV funding to non-profit agencies for eligible public services activities impacted by COVID-19. Priority will be given to agencies employing, or serving low income communities experiencing inequities. Priority will also be given to agencies providing the highest service need at the time of funding selection, currently identified as food or rental assistance; and
- Use allowed administrative funds to facilitate these programs.

In order to facilitate the use of CDBG-CV funds the City must amend the following:

1. The HUD approved 2015-2019 Consolidated Plan, the CDBG 5-Year spending plan to specify economic and public service goals in response to COVID-19;
2. The 2019 Annual Action Plan to allocate grant funds to COVID-19 related activities; and
3. The City's Citizen Participation Plan to incorporate HUD waivers for some of the public noticing and comment periods typically required for substantial plan amendments.

**Recommendation** (exact action requested of Council) Adopt a RESOLUTION regarding Community Development Block Grant Funds and COVID-19 and amending the 2015-2019 Consolidated Plan and the 2019 Annual Action Plan



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION regarding Community Development Block Grant Funds and COVID-19 and amending the 2015-2019 Consolidated Plan and the 2019 Annual Action Plan**

**WHEREAS**, on March 13, 2020, a National Emergency was declared in response to the Coronavirus outbreak referred to as COVID-19; and

**WHEREAS**, on March 27, 2020, the \$2 Trillion-dollar Coronavirus Aid, Relief, and Economic Security Act (CARES) was passed into law to provide economic and financial support during the Nation's COVID-19 Pandemic crisis; and

**WHEREAS**, COVID-19 relief funds have been made available through several mechanisms and programs to reach individuals and communities including additional CDBG-CV funds to CDBG entitlement jurisdictions; and

**WHEREAS**, Community Development Block Grant (CDBG-CV) funds have been made available through the United States Department of Housing and Urban Development to provide for community programs and small business assistance for activities that prevent, prepare for, and respond to COVID-19, and Everett has been notified that it will receiving \$534,121; and

**WHEREAS**, Everett has uncommitted 2019 CDBG funds available to convert to CDBG-CV to provide additional fund for increased demand on Public Services; and

**WHEREAS**, the Citizens Advisory Committee for Housing and Community Development (CAC) has reviewed the urgent needs and priorities for Everett and has made its recommendations for amendments to the appropriate document(s) to use CDBG-CV funds for community relief; and

**WHEREAS**, the City Council recognizes the urgent need to rapidly distribute these funds the Everett community to provide relief from the impact of the COVID-19 Pandemic; and

**WHEREAS**, the City Council has reviewed the recommendations from the CAC; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVERETT THAT:**

**1. Amendments to the 2015 – 2019 Consolidated Plan**

The 2015 – 2019 Consolidated Plan for Community Development Block Grants, which was previously adopted by City Council in Resolution No. 6850 with subsequent amendments, is amended as follows:

A. Add the following language to Section PR-15 Public Participation:

In response to the COVID-19 pandemic, additional funding provided by HUD under the CARES Act during the 2019 Program Year followed guidance issued by HUD on reduced citizen participation. The City of Everett’s Citizen Participation Plan was amended to include procedures for disaster response and mitigation. To help with allocating dollars for immediate priorities, a survey was circulated for input from non-profit partners and agencies. This survey, in combination with external data on economic relief needs provided by Main Street America, was presented in findings at two remote (virtual) public hearings held on April 20 and April 23, 2020. These hearings were in compliance with COVID-19 federal, state, and municipal restrictions at the time of action.

B. Add the following language to the Needs Assessment Section:

It is anticipated, due to the global pandemic of the coronavirus (COVID-19), that basic needs are the upmost need in the community. A survey was circulated on April 10, 2020 to agencies within the City to identify agency and citizen needs. At the time of the amendment to this plan, the most three prevalent needs were food, housing, and healthcare for citizens. Agency needs were staffing, operating costs, and limited interaction with citizens due to lack of virtual platforms/access.

Additional needs have been identified through a survey provided by Main Street America on the economic impacts of COVID-19. The survey, last dated April 6, 2020, indicated that most businesses (about 7.5 million) will be out of business in less than five months after shutting down due to ‘non-essential’ designation. More than half of respondents have indicated a revenue loss of 75% or greater.

C. Add the following language to the Priority Needs Narrative Section:

In response to COVID-19, the City of Everett is adding Economic Development as a Priority Need, with a high priority level, for all populations throughout the city limits. Associated goals will be to ensure the financial viability of microenterprises within city limits, as well as activities that prioritize job training, job opportunities, and job placement/retention.

D. Add CDBG-CV funds to the Anticipated Resources Section

CDBG-CV	Public - federal	Public Services	534,380			534,380	0	COVID-19 Funds will be augmented with uncommitted 2019 funding.
		Administration and Planning						
		Economic Development						

E. Add the following language to the Goals Section:

5	Provide relief in response to COVID-19 Pandemic	2019	2019	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Economic Development	City of Everett	Public Services and Economic Development in response to COVID-19	Microenterprise Loans provided – 50  Public Services – 1000 persons
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F. Add the following language to the Goals Description Section:

<b>Goal Name</b>	Provide relief in response to COVID-19 Pandemic
<b>Goal Description</b>	Provide economic development activities and public services in response to COVID-19 pandemic and crisis.

2. **Amendments to the 2019 Annual Action Plan**

The 2019 Annual Action Plan for Community Development Block Grants, which was previously adopted by City Council in Resolution No. 7353 as amended, is amended as follows:

A. The following language is added to the AP-12 Participation:

In response to the COVID-19 pandemic, additional funding provided by HUD under the CARES Act during the 2019 Program Year followed guidance issued by HUD on reduced citizen participation. The City of Everett’s Citizen Participation Plan was amended to include procedures for disaster response and mitigation. To help with allocating dollars for immediate priorities, a survey was circulated for input from non-profit partners and agencies. This survey, in combination with external data on economic relief needs provided by Main Street America, was presented in findings at two remote (virtual) public hearings held on April 20 and April 23, 2020. These hearings were in compliance with COVID-19 federal, state, and municipal restrictions at the time of action.

B. The following language is added to the AP-15 Expected Resources Section:

CDBG-CV	Public-federal	Public Services Administration and Planning Economic Development	534,380		534,380	0	Uncommitted 2019 dollars are to be combined with CDBG-CV COVID-19 relief funds for COVID activities centering around public services and economic development.
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C. The following language is added to the Goal Summary:

4	Provide relief in response to COVID-19 Pandemic	2015	2019	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Economic Development	City of Everett	Public Services and Economic Development activities in response to COVID-19	Microenterprise loans provided – 50  Public services – 1000 persons
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D. The following language is added to the Goal Description Section:

4	<b>Goal Name</b>	Provide relief in response to COVID-19 Pandemic
	<b>Goal Description</b>	Provide economic development activities and public services in response to COVID-19 pandemic and crisis.

5. The Mayor and her designee(s) are authorized to make formal application to the U.S. Department of Housing and Urban Development for funding assistance in accordance with this Resolution and the requirements of such application.
6. The Mayor and her designee(s) are authorized to develop the Everett CARES Grant Program for small business and microenterprises and execute the contracts and necessary documents and to take all other actions to implement the program.
7. A Notice of Funding Availability will be issues to solicit applications from non-profit agencies to apply for Public Services CBDG-CV funding related to COVID-19. Applications will be reviewed by the Citizen Advisory Committee and a funding recommendation forwarded to City Council for approval.

8. This Resolution will become part of the formal application to the U.S. Department of Housing and Urban Development and to the State of Washington.
9. The required application forms and information are to be sent to the U.S. Department of Housing and Urban Development to complete all application requirements and the Mayor and her designee(s) are authorized to sign and provide the needed documents and to take all other necessary actions.
10. To support the administration of the additional 2019 funding Community Development Block Grant COVID-19 funds, the City will use allowed administration funding from the annual grant will be set aside.
11. The amendments to the 2019 Annual Action Plan and amendments to the 2015 – 2019 Consolidated Plan are hereby adopted and approved to be submitted to the U.S. Department of Housing and Urban Development and to complete all application submittal requirements.

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Councilmember introducing resolution

Passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2020.

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Council President

