



City of Galveston

Grants & Housing Department Staff Report

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June 25, 2020

To: Brian Maxwell, City Manager
· Hon. Mayor and City Council Members

From: Alice T. Law, Director of Grants & Housing

RE: Conduct a Public Hearing and Consider for Approval the 2020 Community Development Block Grant-CV (CDBG-CV) Coronavirus Aid, Relief, and Economic Security (CARES Act) supplemental funding in the amount of \$271,736 and Amendment to the 2019 Consolidated Plan to implement coronavirus pandemic disaster projects and allow for the use of the Urgent Need project benefit. Authorize the City Manager to file a grant application (amendment) with the U.S. Department of Housing and Urban Development (HUD) and execute all necessary contracts, certifications, and documents for the Programs.

I. Background

- A. The CARES Act made supplemental CDBG funding available through the U.S. Dept. of Housing and Urban Development (HUD) for grants to prevent, prepare for, and respond to the coronavirus. HUD has awarded the City \$714,670 in CDBG-CV funding.

- B. All activities or projects funded under the CDBG-CV Program must be in prevention and response to the coronavirus and be eligible CDBG activities.
- C. The CARES Act allows waivers to the CDBG regulations to eliminate the 15% cap on public services activities, allow for a citizen participation period of no less than 5-days, and allow for virtual public hearings.
- D. HUD is in the process of preparing requirements and waivers specific to the CDBG-CV and will allow amendments as needed to projects. HUD has directed cities to proceed with CDBG-CV approval of projects and submittal of amendments before the notice is published.
- E. On May 28, 2020, the City Council approved projects totaling \$442,934 for CDBG-CV funding to the UTMB COVID-19 Testing for \$300,000 and CDBG-CV Administration for \$142,934. These allocations left an unprogrammed balance of \$271,736.



II. Current Situation

- A. The City has developed the following CDBG-CV Projects for consideration of funding for the unprogrammed balance of \$271,736. These Projects are under the HUD category of Public Services to assist in the prevention of and response to COVID-19 and provide for the health and safety of the citizens.
 - 1. Galveston Health Services Tracer Work \$125,000 - Provide funding for tracer work in coordination with the Galveston County Health District for COVID-19 cases in Galveston to more quickly identify contacts and isolate sick persons; project benefit of LMI and/or Urgent Need.
 - 2. City Grants & Housing Income Subsistence Payments \$100,000 - Provide LMI owner-occupied households with emergency mortgage assistance, based on documented payment amounts, payments limited to 3 months for an estimated 30 LMI households.
 - 3. Non-Profit Homeless Assistance \$46,736 - Provide funding for expenses related to non-profit homeless providers for sheltering, quarantining, and PPE for homeless persons to reduce the spread of COVID-19.
- B. The City will amend its 2019 Consolidated Plan to implement coronavirus pandemic disaster projects and designation of the use of the Urgent Need National Objective for project benefit.
- C. The City implemented the citizen participation process to allow for a citizen comment period of no less than the 5-days to be completed on June 24, 2020.

III. Issues

- A. Consistency with HUD Consolidated Plan – All activities or projects funded under the CDBG-CV Program are in compliance with the City’s Consolidated Plan. The amendment will provide the CDBG-CV Program implementation information.
- ~~B. Compliance with Regulatory Requirements – The City has met the regulatory requirements for these funds and amendment per the CARES Act and allow projects to assist with response to COVID-19.~~
- C. Impact or Ramifications – Failure to approve the CDBG-CV Program and amendment will delay the implementation of programs.

IV. Recommendation

- A. Approve the 2020 Community Development Block Grant-CV (CDBG-CV) Coronavirus Aid, Relief, and Economic Security (CARES Act) supplemental funding in the amount of \$271,736 and Amendment to the 2019 Consolidated Plan to implement coronavirus pandemic disaster projects and allow for the use of the Urgent Need project benefit. Authorize the City Manager to file a grant application (amendment) with the U.S. Department of Housing and Urban Development (HUD) and execute all necessary contracts, certifications, and documents for the Programs.

V. Fiscal Impact Report

Requested by:	Alice T. Law, Director of Grants & Housing
Funding Source:	U.S. Dept. of Housing & Urban Development (HUD) 2020 Community Development Block Grant-CV Program
Costs of implementation:	Total \$442,934

Respectfully Submitted,



Alice T. Law
Director of Grants & Housing

