



Legislation Text

File #: [20-0568], Version: 1

Consider a Minor Modification to the 2019-2020 Community Development Block Grant Program Plan.

Staff:

Loryn B. Clark, Executive Director
Sarah Osmer Viñas, Assistant Director
Nate Broman-Fulks, Affordable Housing Manager

Department:

Housing and Community

Overview: The purpose of this memorandum is to propose a minor modification to the 2019-2020 Community Development Block Grant (CDBG) program approved by the Council [April 24, 2019](#) <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3924502&GUID=6F20008D-41EB-45AB-9F55-A5969AD5D3A8>. The Council amended the program on [April 29, 2020](#) <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=4427662&GUID=65341397-FA06-4A7F-80B3-1872E81AAC21&FullText=1> to allocate \$169,728 of funds for temporary housing assistance to support decongregation of the Interfaith Council (IFC) shelters. Funds are no longer needed for the shelter decongregation. We propose using the funds for temporary housing assistance to support the County-wide [Emergency Housing Assistance Program](#) <https://www.townofchapelhill.org/government/departments-services/housing-and-community/funding/rental-and-utility-assistance-program>. This action is considered a minor modification to the FY 20 program and does not require a public forum.

☆ **Recommendation(s):**

That the Council adopt a resolution approving use of \$169,728 of 2019-2020 CDBG funds for temporary housing assistance to support the Emergency Housing Assistance Program.

Summary of Proposed Minor Amendment

- On April 29, 2020, the Council reallocated \$169,728 of CDBG funds to pay for expenses to decongregate the IFC shelters. Residents were relocated to a local hotel to practice safer physical distancing.
 - Orange County manages the decongregation procedures by executing contracts with the hotel and vendors providing food and laundry services at the hotel.
 - Since the Council's action in April, the State of North Carolina is now the fiscal agent for managing decongregation expenditures. Funding is therefore no longer needed from local and county governments.
- We continue to have a significant need for funding for the Emergency Housing Assistance Program. This program prevents evictions or utility disconnection for lower income households in the County.
 - Orange County administers this program on behalf of the Towns.
 - To date, the Town has allocated over \$450,000 of CDBG, CARES Act funds, and the Affordable Housing Fund for this program.
 - Based on current trends, the County anticipates needing \$2M through the end of the year to support families in housing crisis throughout Orange County.
- Temporary housing assistance is an eligible CDBG public service activity.
 - In response to community needs related to COVID-19, the U.S. Department of Housing and Urban Development (HUD) modified some of the federal CDBG requirements. One

modification is removing the regulation that limits the amount of funds spent on public service activities to 15%. Communities are now able to exceed this limitation with FY 20 and FY 21 funds.

- Funds would be used to assist Chapel Hill residents.

- We have not received other requests for this funding and expect to use more CDBG funds to continue supporting emergency housing assistance.

Fiscal Impact/Resources: If the Council approves the proposed modification, funds would be provided as grants to assist lower income households. If we receive a request for a new project, there are other funding sources we can use such as the Affordable Housing Fund, the Affordable Housing Development Reserve, or FY 21 CDBG Neighborhood Revitalization funds.



Attachments:

- Resolution Approving a Minor Modification to the 2019-2020 Community Development Block Grant Program

A RESOLUTION APPROVING A MINOR MODIFICATION TO THE 2019-2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (2020-09-09/R-2)

WHEREAS, on April 24, 2019, the Chapel Hill Town Council approved a 2019-2020 Community Development Block Grant Program Plan; and

WHEREAS, on April 29, 2020, the Council approved an amendment to the 2019-2020 Community Development Block Grant Program to allocate funds to support temporary housing expenses related to decongregating the IFC shelters; and

WHEREAS, funds allocated on April 29, 2020 are no longer needed for shelter decongregation expenses.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council approves a minor modification to the 2019-2020 Community Development Block Grant Program as follows:

Agency	Activity	4/29 Amended Plan	Proposed Modification
Town of Chapel Hill	Neighborhood Revitalization	\$0	\$0
Community Home Trust	Homebuyer Assistance	30,000	30,000
Habitat for Humanity	Home Preservation	27,000	27,000
Town of Chapel Hill	Code Enforcement	25,000	25,000
Inter Faith Council	Public Service - Homestart Case Management	28,500	28,500
Town of Chapel Hill	Public Service - Temporary Housing Assistance	169,728 IFC Shelter decongregation	169,728 Emergency Housing Assistance
Town of Chapel Hill	Public Service - Summer Youth Employment Program	27,000	27,000
Exchange Club's Family Center	Public Service - Children's Parenting Classes	2,040	2,040
Administration	Grant Administration/Compliance and Reporting	77,316	77,316
Total		\$386,584	\$386,584

This the 9th day of September, 2020.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council approves a minor modification to the 2019-2020 Community Development Block Grant Program to allocate \$169,728 to temporary housing assistance.