



**MEMO TO:** Members of the City Council

**FROM:** Mayor Angela Birney

**DATE:** June 16, 2020

**SUBJECT:** **Community Development Block Grant-Coronavirus (CDBG-CV) Funding**

**I. RECOMMENDED ACTION**

Approve Human Services Commission recommended allocation of CDBG-CV funds to support Eastside emergency shelter response to COVID-19 pandemic.

**II. DEPARTMENT CONTACTS**

Carol Helland, Director	425-556-2107
Beverly Mesa-Zendt, Interim Deputy Director	425-556-2423
Alaric Bien, Senior Planner	425-556-2458
<i>Planning and Community Development</i>	

**III. DESCRIPTION/BACKGROUND**

On March 27, 2020, the US Congress approved additional funding in the Community Development Block Grant (CDBG) program totaling \$5 billion for the program year 2020. Of the total, \$2 billion is a direct allocation to state and local governments through the regular program formula (all grantees that received a CDBG allocation in the Fiscal Year 2020 will receive this funding). Redmond's allocation is \$219,315 in additional 2020 funds, referred to as CDBG-COVID (CV) funds.

Typically, not more than 15 percent of CDBG funds can be dedicated to human services. The Interlocal Agreement with King County stipulates that the County will withhold 10 percent of Redmond's total allocation for administration as well as 5 percent for the county-wide human service Housing Stability Program. This results in the City being limited to 10 percent of the total regular CDBG allocation for human services.

A key provision in the Congressional approval of CDBG-CV funding suspends the 15 percent cap on human services. All CDBG-CV funds may be used for human services as long as they are related to preparation, prevention, and/or response to COVID-19.

The County has decided that it will withhold 3 percent of Redmond's allocation for its administrative costs related to CDBG-CV. The amount available to Redmond to allocate to human services is \$214, 928.

The Human Services Commission met on May 11 to discuss the use of CDBG-CV funds. A shortened five-day public comment period was given, as allowed by the April 9, 2020, HUD memo *CARES Act Flexibilities for CDBG Funds Used to Support Coronavirus Response and plan amendment waiver*. Opportunity for public comment was also given at the meeting held on May 11, 2020. The Human Services Commission received no public comment.

After discussion and consideration of other uses for the funds including rental assistance, small business and microenterprise support, and food insecurity, the Human Services Commission voted to recommend awarding all of Redmond's CDBG-CV funds to shelter operations in East King County.

#### **IV. PREVIOUS DISCUSSIONS HELD**

CDBG-CV funds distribution was previously discussed at the May 26, 2020, Finance, Administration, and Communications Committee of the Whole meeting and at the June 9, 2020, Council Study Session as part of the Business and Human Services Revenue and Expenditures package.

#### **V. IMPACT**

##### **A. Service/Delivery:**

Allocation of CDBG-CV funds to Eastside emergency shelters will allow shelters to continue to provide 24/7 services during the pandemic while still adhering to recommended social distancing guidelines.

##### **B. Fiscal Note:**

All CDBG-CV funds will be distributed to agencies providing direct service to individuals and families experiencing homelessness during the COVID-19 crisis. The City will absorb all administrative costs and utilize existing staff and resources to support this work.

#### **VI. ALTERNATIVES TO STAFF RECOMMENDATION**

Should the Council choose not to approve the use of CDBG-CV funds for emergency shelter support, the City would need to identify other uses, hold a public comment period with adequate notice, seek recommendations from the Human Services Commission, and return to Council for formal approval. It would also require the County to submit a further amendment to its Action Plan to the Department of Housing and Urban Development and would further delay the distribution of CDBG-CV funds to the community.

#### **VII. TIME CONSTRAINTS**

The City must inform the County of its formal adoption of the planned use of CDBG-CV funds at the earliest possible date to ensure compliance with the 2019 Annual Action Plan.

**VIII. LIST OF ATTACHMENTS**

None.

*Carol Helland*

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**Carol Helland, Director of Planning and Community Development**

*Angela Birney*

Approved for Agenda \_\_\_\_\_  
**Angela Birney, Mayor**