



Legislation Text

File #: 20-0266, Version: 1

TO: Mayor Richard C. Irvin

FROM: Chris Ragona, Community Development Manager, Community Development Division

DATE: April 22, 2020

SUBJECT:

A Resolution authorizing Annual Action Plan Substantial Amendment 2020-#1 to reallocate prior year resources, current year resources, upcoming supplemental 2020 Community Development Block Grant funding in response to the Coronavirus (CDBG-CV) pandemic, and updates to the 2020-2024 Consolidated Plan and Citizen Participation Plan.

PURPOSE:

Staff requests authorization of Annual Action Plan Substantial Amendment 2020-#1 to prior year resources, upcoming supplemental 2020 CDBG funding in response to the COVID-19 pandemic, and approval of an update to the Citizen Participation Plan. A summary of the proposed recommendations can be found in the table outlined below.

BACKGROUND:

The 2020-2024 Consolidated Plan and 2020 Action Plan was last approved by City Council on 1/28/2020, R20-016. A substantial amendment is required by The Department of Housing and Urban Development (HUD) due to additional funding received as part of the COVID-19 pandemic and the creation of new activities proposed in the plan. A reduced public comment period was held from 4/23/2020 to 4/27/2020 and a virtual public hearing was held on 4/24/2020 (draft minutes, Attachment 1). To date, the City received one comment. A summary of the comment received can be found in Substantial Amendment 2020-#1 (Attachment 2).

DISCUSSION:

Staff requests authorization of Annual Action Plan Substantial Amendment 2020-#1 to provide CDBG funding for the projects listed below as a response to the COVID-19 pandemic. The CDBG proposed projects are recommended to allocate the City's new CDBG-CV funds and to also reprioritize funding and projects originally identified in the 2019 and 2020 Action Plans. A table of the re/allocated funds has been provided below as well as a summary of the proposed activities.

| Proposed New or Amended CDBG Activity | Recommended Re/Allocation Amount | CDBG Program Year Funding Source | Original Funding Allocation | Project Reallocation Comments |
|---------------------------------------|----------------------------------|----------------------------------|-----------------------------|-------------------------------|
|---------------------------------------|----------------------------------|----------------------------------|-----------------------------|-------------------------------|

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|---|-----------|---|-----------|--|
| CDBG-2018-14 - The Standing Together with Aurora Businesses Local Emergency Fund (STABLE Fund) | \$500,000 | CDBG-2019-09 - City of Aurora Residential Resurfacing Program | \$500,000 | The Standing Together with Aurora Businesses Local Emergency Fund (STABLE Fund) can provide funding of up to \$15,000 for businesses with 5 or less employees, and up to \$25,000 for businesses with between 6 and 50 employees. The total funding for this program will be \$1,400,000 when combined with previously approved funding. |
| CDBG-2018-14 - The Standing Together with Aurora Businesses Local Emergency Fund (STABLE Fund) | \$100,000 | CDBG-2019-11 - Hope Wall Special Needs Playground | \$100,000 | |
| CDBG-2020-08 - The Standing Together with Aurora Businesses Local Emergency Fund (STABLE Fund) | \$300,000 | CDBG-2020-11 - City of Aurora Residential Resurfacing Program | \$300,000 | |
| CDBG-CV-2020-01 The Standing Together with Aurora Businesses Local Emergency Fund (STABLE Fund) | \$300,000 | CDBG funds received as part of COVID-19 Stimulus #3 Package | N/A | |

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|---|-------------|---|-----|---|
| CDBG-CV-2020-02 - Non Profit Public Service Activities | \$200,000 | CDBG funds received as part of COVID-19 Stimulus #3 Package | N/A | Additional non-profit public service dollars will address basic needs for residents directly. City staff will work with non-profit agencies over the next several weeks to determine eligible projects supporting COVID-19 activities. |
| CDBG-CV-2020-03 - Subsistence Payments Emergency Assistance | \$200,000 | CDBG funds received as part of COVID-19 Stimulus #3 Package | N/A | To assist residents directly impacted by COVID-19 by recommending approval for a set aside for the activity of subsistence payments emergency assistance. |
| CDBG-CV-2020-04 - Emergency Shelter Activities | \$21,663 | CDBG funds received as part of COVID-19 Stimulus #3 Package | N/A | Activities include motel vouchers and other eligible emergency expenses related to shelter activities. City staff will look to partner with non-profit agencies to provide this funding for existing programs. |
| CDBG Administration | \$180,415 | CDBG funds received as part of COVID-19 Stimulus #3 Package | N/A | Up to 20% annually of CDBG funds can be used towards administration such as salaries, benefits, trainings, and other operating expenses. City staff will monitor administration expenditures for the remainder of 2020 and any remaining funding will be allocated to a new activity. |
| Estimated Allocation / Reallocation Total | \$1,802,078 | | | |

Eligibility for the above activities must meet HUD's National Objective for low and moderate income benefit and also address the City's 2020-2024 Goals and Objectives. A full budget of previously approved and recommended CDBG projects can be found in Attachment 3. City staff is also closely monitoring additional CDBG funding that may be distributed both at the state and federal level. Any additional funding received would be subject to another substantial amendment and City Council approval.

CDBG Revised Funding Recommendations

Invest Aurora Small Business Forgivable Loan Program

In partnership with Invest Aurora, The Mayor's Office of Economic Development, and The Aurora Chamber of Commerce, the City is recommending funding in the amount of \$1,400,000 to assist small businesses by providing up to \$15,000 for businesses with 5 or less employees, and up to \$25,000 for businesses up to 50 employees in the form of a forgivable loan. Businesses will have multiple ways to qualify including the demonstration of job retention/creation for a low income worker, demonstration the business owner qualifies as low-income, or if a business is located in a special jurisdiction known as a Neighborhood Revitalization Strategy Area (NRSA Boundary Map, Attachment 4) and can demonstrate job creation/retention. Businesses can qualify if they have been in operation for at least 6 months and are considered local, with a case by case review for businesses that have been in operation for less than 6 months.

Each business will need to provide backup documentation to demonstrate the need of funding as well as a summary of how the funds will be used. In addition to the caps identified based on the number of employees, a maximum of 30 days of operating expenses before the Stay at Home Order was enacted can be requested for expenses including payroll, rent, mortgage payments, utilities, and other expenses. Additionally, businesses will need to submit a duplication of benefits review to list if additional funding support was received or applied for at the local, state, and federal level. An informational webinar will be scheduled as well as Frequently Asked Questions document to assist in completing the application.

This program will be split into two activities totaling \$700,000 each. The first allocation will be available immediately to be distributed to selected businesses with a portion of funding to be delivered up front and the remainder to be provided on a reimbursement basis. The second allocation will be dependent on receipt of funding from HUD and will be provided in the same matter of a partial payment up front followed by a reimbursement process.

City staff considered many ideas to distribute funding in a fair and timely manner, while also meeting federal regulations. The use of a lottery and funding limits based on the number of employees will ensure a process that is inclusive to all qualifying local businesses as part of the STABLE Fund.

Non Profit Public Service Assistance

Community Development is recommending an additional \$200,000 in COVID-19 CDBG funding to assist non-profit agencies specializing in providing basic needs. Services could include activities to assist senior services, substance abuse, domestic violence survivors, housing legal services, food and shelter, and additional case management opportunities for clients that were directly affected by COVID-19. City staff will release an abbreviated application and plans to hold a virtual meeting to provide a summary of the requirements, timeline, and process for applying in early May. Funding will be dependent on receipt from HUD and all recommendations will be submitted for City Council approval.

Subsistence Payment Assistance

Community Development is recommending \$200,000 in CDBG-CV funding to assist residents directly impacted by COVID-19 by recommending approval for a set-aside for the activity of subsistence

payments emergency assistance. Additional research and consultation is required by HUD, so official details on the plan are forthcoming. Eligible applicants will need to provide household income documentation and proof of need. Any payments will be made directly to providers with income restrictions, maximum payments, and housing values to be considered as staff works on an application and procedures for distributing funding. Due to the limited funding and high probability of applications, a lottery of eligible households may be considered to streamline the process in awarding funding.

Emergency Shelter Funding

Community Development is recommending \$21,663 in CDBG-CV funding for the activity of emergency shelter funding. The City plans to partner with non-profit agencies to assist with providing emergency shelter including hotel cost funding to assist residents on the verge of homelessness or residents that may require to be self-isolated due to the COVID-19 pandemic. City staff is seeking additional guidance on best practices for this activity, and then information on the availability of funding will be sent out to seek partners. Funding will be dependent on receipt from HUD.

Updates to Citizen Participation Plan

In response to the urgency of the COVID-19 pandemic, HUD has released a series of waivers to streamline the approval process while also providing opportunities for the public to submit comments. City staff has incorporated these waivers into our Citizen Participation Plan (Attachment 5) and will be prepared to make future adjustments should projects need to be modified or additional funding is received.

IMPACT STATEMENT:

This action will have a positive impact on the City's community development efforts and response to the COVID-19 pandemic.

RECOMMENDATIONS:

Staff recommends approval of the proposed Resolution authorizing Annual Action Plan Substantial Amendment 2020-#1 to reflect funding allocations for the CDBG Program and approval of an update to the 2020-2024 Consolidated Plan and Citizen Participation Plan. Staff also requests authorization for the City's Mayor, Chief Community Services Officer, Community Development Manager, or their designees to execute any contracts as well as any other documents associated with Substantial Amendment 2020-#1 including but not limited to HUD's program administration requirement.

cc: Alderman Emmanuel Llamas
Alderman Juany Garza
Alderman Theodoros "Ted" Mesiacos
Alderman Bill Donnell
Alderman Carl Franco
Alderman Michael B. Saville
Alderman Scheketa Hart-Burns
Alderman Patty Smith

Alderman Edward Bugg
Alderman Judd Lofchie
Alderman Robert O'Connor
Alderman Sherman L. Jenkins



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution authorizing Annual Action Plan Substantial Amendment 2020-#1 to reallocate prior year resources, current year resources, upcoming supplemental 2020 Community Development Block Grant funding in response to the Coronavirus (CDBG-CV) pandemic, and updates to the 2020-2024 Consolidated Plan and Citizen Participation Plan.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, Substantial Amendment 2020-#1 will define priorities for community development funding and updates to the Citizen Participation Plan and define obligations to inform the public on the proposed changes; and

WHEREAS, CDBG funding will be available in the 2020 City Budget CDBG program account (221-1330-801-43-series); and

WHEREAS, CDBG-CV funding will be available in the 2020 City Budget under a new HUD program account;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Aurora, Illinois, finds as facts all of the preamble recitals of this Resolution and hereby approves a resolution authorizing approval of the Annual Action Plan Substantial Amendment (2020-#1) including allocation or prior year Community Development Block Grant (CDBG) program funding, 2020 program funding, 2020-2024 Consolidated Plan priority needs, goals, objectives, and expected funding, and 2020 CDBG COVID-19 program funding, and updates to the Citizen Participation Plan; and authorizes the City's Mayor, Chief Community Services Officer, Community Development Manager, or their designees to execute any contracts as well as any other documents associated with these approvals, including but not limited to HUD's program administration requirements.

