

Legislation Text

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File #: 15-13164, Version: 1

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**FY 2020 CARES Act Amendment to the HUD FY 2016 Consolidated Plan and FY 2020 Annual Action Plan in response to COVID-19**

**Action:**

- A. Approve the use of \$5,696,778 in federal funding from the Community Development Block Grant (\$3,514,923), Emergency Solutions Grant (\$1,765,572), and Housing Opportunities for Persons with Aids (\$416,283) provided by the Coronavirus Aid, Relief and Economic Security Act (CARES Act),**
- B. Amend the HUD FY 2016 Consolidated Plan and the FY 2020 Annual Action Plan to allow for new activities and funding in response to the COVID-19 pandemic,**
- C. Adopt a budget ordinance appropriating a total of \$5,696,778 in CARES Act funding from the U.S. Department of Housing and Urban Development in the COVID Stimulus Fund contingent upon receipt of grant funds, and**
- D. Authorize the City Manager to execute any necessary contracts related to the CARES Act.**

**Staff Resource(s):**

Pamela Wideman, Housing and Neighborhood Services

**Policy**

- The U.S. Department of Housing and Urban Development (HUD) mandates the development of a five-year Consolidated Plan and an Annual Action Plan (collectively the Plan) to receive federal funding for housing and community development activities.
- When the city wishes to change activities or receives new funding, HUD requires that the city adopt a substantial amendment to its plans to reflect funding amounts and changes to program activities.

**Explanation**

- In response to the COVID-19 Pandemic, Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES Act) providing the city a total of \$5,696,778 in federal funding through the Community Development Block Grant (CDBG), the Emergency Solutions Grant (ESG) and Housing Opportunity for Persons with AIDS (HOPWA) funding. The anticipated allocation is outlined below:
  - CDBG: \$3,514,923
  - ESG: \$1,765,572
  - HOPWA: \$416,283
- Amending the Plan and appropriating the funds will allow the city to accept and utilize the CARES Act funding to serve low-to-moderate income households impacted by the COVID-19 pandemic.

**Proposed Uses of CARES Act Funding**

Emergency Solutions Grant (ESG)

- HUD allows ESG funds to be used for a variety of services to homeless individuals and families, including homelessness prevention, shelter operations, rapid re-housing, and systems costs for the Homeless Management Information Service.

- The plan is to use up to \$1,328,000 of ESG funding to partner with the Salvation Army Women's Shelter and the Men's Shelter of Charlotte to obtain up to 120 extended stay rooms for up to an eight-month period. This partnership is designed to assist providers across the homeless services community.
- The remaining \$437,572 will be used to fund additional ESG eligible activities as needs related to the COVID-19 pandemic are identified.

#### Community Development Block Grant (CDBG)

- HUD allows CDBG funds to be used for activities that build stronger and more resilient communities.
- The plan is to use up to \$3,453,100 to support low-to-moderate income households with mortgage and rent relief, and security and utility deposit assistance.

#### Mortgage Relief Program

- Due to the impacts of the COVID-19 pandemic, low-to-moderate income homeowners, including those that have participated in the House Charlotte program, may find themselves without jobs and income, which could result in a loss of homeownership.
- To mitigate this risk, CDBG funds would be used to provide up to three months of mortgage relief for up to 350 households earning up to 80% of the Area Median Income (AMI) to help prevent potential significant foreclosures due to COVID-19. Up to \$1,178,100 of CDBG Funds will be used to assist an estimated 350 homeowner households earning up to 80% of the AMI.

#### Rent Relief Program

- Due to the impacts of the COVID-19 pandemic, low-to-moderate income renters may find themselves without jobs and income, which could result in a loss of their rental housing.
- To mitigate this risk, CDBG would be used to provide up to three months of rent relief for up to 350 households to help prevent homelessness. Up to \$1,050,000 of CDBG Funds will be used to assist up to 350 households earning up to 80% of the AMI.

#### Security Deposit Assistance Programs

- This program would leverage the work of homeless services providers, including the Men's Shelter of Charlotte and the Salvation Army Women's Shelter, that are working to transition homeless individuals and families into non-supportive permanent housing as a result of COVID-19.
- An estimated \$1,050,000 of CDBG funds will be used to serve up to 700 households by providing a one-time security deposit of up to \$1,500 per household.

#### Utility Deposit Assistance Program

- This program would leverage the work of homeless services providers, including the Men's Shelter of Charlotte and the Salvation Army Women's Shelter, that are working to transition homeless individuals and families into non-supportive permanent housing as a result of COVID-19.
  - An estimated \$175,000 of CDBG funds will be used to serve up to 700 households by providing a one-time utility deposit of up to \$250 per household.
- The remaining \$61,823 will be used to fund additional CDBG eligible activities as needs related to the COVID-19 pandemic are identified.

#### Housing Opportunities for Persons with Aids (HOPWA)

- The HOPWA program is the only federal program dedicated to the housing needs of people living

with HIV/AIDS.

- The city partners with Carolinas CARE Partnership to deliver housing services to people living with HIV/AIDS.

**Community Input**

- The amendment was made available for public comment and advertised in general circulation newspapers.

**Attachment(s)**

FY16 Consolidated Plan Amendment  
FY20 Annual Action Plan Amendment  
Budget Ordinance