

AGENDA ITEM SUMMARY

City Council



STAFF

Adam Molzer, Human Services Program Manager
Ted Hewitt, Legal

SUBJECT

Public Hearing and Resolution 2023-050 Approving the Programs and Projects that Will Receive Funds from the Federal Community Development Block Grant Program, the HOME Investment Partnerships Program, the City's Affordable Housing Fund, and the City's Human Services Program.

EXECUTIVE SUMMARY

The purpose of this item is to approve funding recommendations of the 2023 Spring Cycle of the Competitive Process. This Resolution will complete the 2023 Spring Cycle of the Competitive Process for allocating \$4,180,498 in City financial resources to affordable housing and public facility projects, human service programs and administration of the programs.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BACKGROUND / DISCUSSION

This Resolution establishes which programs and projects will receive funding with CDBG, HOME, Affordable Housing Fund (AHF) and Human Services Program (HSP) funds for the 2023 program year. CDBG and HOME are federal dollars allocated through HUD. AHF and HSP funds are allocated from the General Fund (GF) and the General Fund 0.25% Other Community Priorities (OCP). In 2023, the total dollar amount available is \$5,596,742, with \$4,180,498 being allocated to fulfill the FY2023 project requests as well as the planning and administration needs. The following table shows available dollars in each funding category:

FY2023 FUNDING CATEGORIES

Funding Source	Amount
FY2023 Housing	\$4,216,244
FY2023 Human Service	\$ 907,977
FY2023 CDBG Public Service	\$ 169,736
FY2023 Planning and Administration	\$ 302,785
Total	\$5,596,742

Federal funds available for allocation total \$4,150,875. These funds are sourced from nine categories designated by HUD, including: FY2023 Entitlement Grants (CDBG and HOME - new funding), FY2022 and FY2021 Unanticipated Program Revenue (CDBG and HOME - new funding), Prior Year Funds (CDBG and HOME - re-appropriated), and HOME American Rescue Plan Act Funds (new funding).

Unanticipated Revenue Funds include repayments from loans issued for rehabilitation, homebuyer assistance, acquisition and development. Fifteen percent (15%) of CDBG funds received in the current program year can be allocated towards public services. The remaining CDBG and HOME Unanticipated Revenue is available for allocation to housing activities.

Prior Year Funds (CDBG FY2021, HOME FY2019) represent previously Council-committed funds that were unexpended and available for re-allocation in the housing category only.

Total federal contribution to the Housing category is \$3,692,754. This includes \$2,000,000 from a one-time HOME American Rescue Plan Act (HOME-ARP) award which was available for use on housing development projects that met the goals outlined in the HOME-ARP Allocation Plan submitted to HUD in October of 2022.

The maximum limit allowed by HUD regulations in the Public Service category for the CDBG Entitlement grant and current year CDBG Program Income is 15%.

Total federal contribution to the Public Service category is \$169,736: \$166,092 from the FY2023 CDBG Entitlement grant and \$3,644 from CDBG FY2022 Unanticipated Program Income.

HUD regulations allow a maximum of 20% of the CDBG Entitlement grant (\$221,456) to be used for CDBG planning and program administration costs.

HUD regulations allow a maximum of 10% of HOME Entitlement grant (\$66,929) to be used for HOME planning and program administration.

Total federal contribution to the Planning and Program Administration category is \$288,385.

The following table provides a summary of 2023 federal funding sources for Housing, Public Service and Planning/Program Administration:

FEDERAL FUNDS

Funding Source	Total Funds	Housing	Public Service	Planning / Admin
FY23 CDBG Entitlement Grant	\$1,107,281	\$ 719,733	\$ 166,092	\$ 221,456
FY22 Unanticipated Revenue CDBG	\$ 24,296	\$ 20,652	\$ 3,644	
FY21 Unanticipated Revenue CDBG	\$ 29,564	\$ 29,564		

Funding Source	Total Funds	Housing	Public Service	Planning / Admin
Prior Year CDBG Funds (previously appropriated and available)	\$ 33,636	\$ 33,636		
FY23 HOME Entitlement Grant	\$ 669,292	\$ 602,363		\$ 66,929
FY22 Unanticipated Revenue HOME	\$ 136,456	\$ 136,456		
FY21 Unanticipated Revenue HOME	\$ 145,350	\$ 145,350		
Prior Year HOME Funds (previously appropriated and available)	\$ 5,000	\$ 5,000		
HOME-ARP	\$2,000,000	\$2,000,000		
TOTAL Federal Funds	\$4,150,875	\$3,692,754	\$ 169,736	\$ 288,385

The City's contribution to the Housing category is \$523,490.

The City's contribution to the Human Service category is \$907,977.(\$904,252 new allocation for FY23, \$3,725 reappropriated from prior year).

A portion of City funds assigned to the Human Services Program is used for planning and program administration costs (\$14,400).

The following table provides a summary of 2023 City Funding for Housing and Human Service, including differentiation between General Fund (GF) and the General Fund 0.25% Other Community Priorities (OCP) sources for each:

CITY FUNDS

Funding Source	Total Funds	Housing	Human Service	Planning / Admin
Human Services Program (GF)	\$ 528,982		\$ 514,582	\$ 14,400
Affordable Housing Fund (GF)	\$ 336,359	\$ 336,359		
General Fund OCP	\$ 576,801	\$ 187,131	\$ 389,670	

Funding Source	Total Funds	Housing	Human Service	Planning / Admin
Prior Year Human Services Program Funds (previously appropriated and available)	\$ 3,725		\$ 3,725	
TOTAL City Funds	\$1,445,867	\$ 523,490	\$ 907,977	\$ 14,400

COMBINED FUNDING TOTALS

Total Funds	Housing	Human Service and Public Service	Planning / Admin
\$5,596,742	\$4,216,244	\$1,077,713	\$ 302,785

The City received 53 housing, human service and public service applications totaling \$4,738,936. In the housing category, six proposals were received totaling \$2,800,000. The available funding in the Housing category equals \$4,216,244, and therefore adequate funding was available to support all requests. In the Human Service category, 43 applications were received totaling \$1,769,200. There is a shortage in Human Service dollars of \$861,223. The CDBG Public Service funds offer the 4 grant recipients multi-year funding support and FY23 was a renewal cycle, which delivers \$169,736 to those programs. The following table summarizes the amount of funding requests compared to the amount of funding available for each of the categories:

FY2023 FUNDING REQUESTS BY CATEGORY

Category	Number of Applications	Available Funding	Requested Funding	Available Request Difference
Administration – CDBG	*	\$ 221,456	\$ 221,456	\$ 0
Administration – HOME	*	\$ 66,929	\$ 66,929	\$ 0
Administration – Human Services	*	\$ 14,400	\$ 14,400	\$ 0
Housing	6	\$4,216,244	\$2,800,000	+ \$1,416,244
Human Service	43	\$ 907,977	\$1,769,200	- \$ 861,223
Public Service	4	\$ 169,736	\$ 169,736	\$ 0
Totals	53	\$5,596,742	\$5,041,721	+ \$ 555,021

CITY FINANCIAL IMPACTS

The CDBG and HOME programs provide federal funds from HUD to the City of Fort Collins which can be allocated to housing and community development related programs and projects and administration of the funds, thereby, reducing the demand on the City's General Fund budget to address such needs. In FY2023, the total amount of federal funds available for allocation is \$4,150,875 and the City's contribution is \$1,445,867. These dollars allow applicants to leverage other funding sources to provide needed services in our community.

Through the provision of affordable housing, more of Fort Collins' workforce can reside within the community. This means there is an available labor pool within the city, which is a positive benefit to economic sustainability.

Human Service and Public Service programs contribute to economic sustainability and homelessness prevention by providing such programs as education, childcare, counseling, and rent assistance, so workers can maintain their employment and housing.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Human Services and Housing Funding Board recommends adoption of their affordable housing, CDBG public service and human service funding recommendations made on April 25, 2023 and April 26, 2023. The Board read all project applications, listened to presentations by each housing applicant, and asked clarifying questions. Additionally, in the Housing category, they reviewed the priority rankings of the Affordable Housing Board, the goals of the Affordable Housing Strategic Plan and the priorities of the HUD required Five-Year Consolidated Plan.

In the Human Service categories, they considered the performance of current grantees, the priority areas of the Social Sustainability Strategic Plan, community needs and the program's potential to address community needs. Each Board member then completed a scorecard to reflect their evaluations of the Human Service proposals relative to a series of weighted criteria. The proposals were then placed in descending rank order based on the average scores of the participating Board members who submitted scores. The Board proceeded to deliberate funding recommendations following a rules-based protocol that they had predetermined.

In the CDBG Public Service category, they considered the performance of current grantees, the goals of the HUD required Five-Year Consolidated Plan, and the program's potential to address the HUD goals. The Board was presented with the percentage of CDBG Public Service funding assigned in FY2022 to each program, and the equivalent funding amount using the FY2023 calculations. The Board voted to adopt the recommended funding formula without any changes to the funding distribution.

The evaluation process for the Housing, Human Service and CDBG Public Service categories addressed deeply rooted community needs that pre-date the COVID-19 pandemic and have continued beyond the public health emergency passing. COVID-19 was not a leading determinant in the funding recommendations. Many applicants were supported in 2020-2023 with federal CARES-CVRF and American Rescue Plan Act (ARPA) grants administered by the Social Sustainability Department.

The Human Services and Housing Funding Board members are subject to certain rules of ethical conduct established by the City Charter and Code, including refraining from voting on or attempting to influence any decision in which they have a financial or personal conflict of interest. Board members have been presented with information detailing the City Charter and Code provisions regarding conflict of interest and the disclosure process.

The following tables present the project-specific allocations recommended by the Board to Council within the housing, CDBG public service and human service categories, as well as the accompanying planning and administrative costs:

PLANNING AND ADMINISTRATION CATEGORY

Applicant Project/Program	Funding Request	Recommended Funding	Unfunded Balance	Percent of Request Funded
City of Fort Collins: CDBG Planning/Administration	\$ 221,456	\$ 221,456	\$ 0	100%
City of Fort Collins: HOME Planning/Administration	\$ 66,929	\$ 66,929	\$ 0	100%
City of Fort Collins: Human Services Program Planning/Administration	\$ 14,400	\$ 14,400	\$ 0	100%
Planning/Administration Total	\$ 302,785	\$ 302,785	\$ 0	100%

HOUSING CATEGORY

In the Housing category, the Human Services and Housing Funding Board determined six of the six housing proposals were projects that would benefit from receiving funding, with each proposal recommended for full funding. Those recommendations and the board's ranked order prioritization are listed in the table below:

Applicant Project/Program	Funding Request	HS&HF Board's Prioritized Ranking	Recommended Funding	Unfunded Balance	Percent of Request Funded
CARE Housing: Heartside Hill	\$ 800,000	# 1	\$ 800,000	\$ 0	100%
City of Fort Collins Forestry Division: Homeowner Tree Removal Assistance Program	\$ 100,000	# 5	\$ 100,000	\$ 0	100%
Elevation Community Land Trust: Kechter Townhomes	\$ 500,000	# 2	\$ 500,000	\$ 0	100%
Fort Collins Habitat for Humanity: Harmony Cottages	\$ 200,000	# 4	\$ 200,000	\$ 0	100%
L'Arche Fort Collins: L'Arche Homes at Heartside Hill	\$ 400,000	# 6	\$ 400,000	\$ 0	100%
Villages Ltd.: 2155 West Plum	\$ 800,000	# 3	\$ 800,000	\$ 0	100%
Housing Total	\$2,800,000		\$2,800,000	\$ 0	

There was an unallocated balance of \$1,416,244 remaining in City Affordable Housing Funds, CDBG Funds and HOME-ARP Funds after all applications received full funding recommendations. These funds can be allocated for use for future affordable housing projects.

CDBG PUBLIC SERVICE CATEGORY

In the CDBG Public Service category, 4 eligible programs are recommended to receive a proportional share of the CDBG Public Service funds. These programs were selected by the HSHF Board in 2022 and are considered for renewal annually until the City's current HUD Consolidated Plan expires in September 2025. The FY23 recommendations were recognized as a renewal cycle. All recommendations are listed in the table below:

Applicant Project/Program	Funding Request	HS&HF Board's Recommended Funding	Unfunded Balance	Percent of CDBG Public Service Funds
Catholic Charities: Samaritan House Shelter	\$ 52,618	\$ 52,618	\$ 0	31%
Crossroads Safehouse: Domestic Violence Emergency Shelter Advocacy	\$ 44,132	\$ 44,132	\$ 0	26%
Family Housing Network: Shelter Program	\$ 18,670	\$ 18,670	\$ 0	11%
Neighbor to Neighbor: Housing Solutions – Direct Rental Assistance	\$ 54,316	\$ 54,316	\$ 0	32%
Public Service Total	\$ 169,736	\$ 169,736	\$ 0	

HUMAN SERVICE CATEGORY

In the Human Service category, 43 proposals were received and 36 are being recommended for funding, ranging from 30% to 80% of requests. Seven proposals are not being recommended for funding. There is a funding gap of \$861,223. All recommendations are listed in the table below:

Applicant Project/Program	Funding Request	HS&HF Board's Recommended Funding	Unfunded Balance	Percent of Request Funded
A Little Help: A Little Help for Older Adults in Fort Collins	\$ 45,000	\$ 24,000	\$ 21,000	53%
Alianza NORCO: Bilingual Navigation Services	\$ 30,000	\$ 17,000	\$ 13,000	57%
Boys and Girls Clubs of Larimer County: Boys and Girls Clubs of Larimer County	\$ 50,000	\$ 31,000	\$ 19,000	62%
CASA Program: Court Appointed Special Advocates	\$ 72,000	\$ 35,000	\$ 37,000	49%
CASA Program: Family Connections at Harmony House	\$ 64,000	\$ 36,000	\$ 28,000	56%

Applicant Project/Program	Funding Request	HS&HF Board's Recommended Funding	Unfunded Balance	Percent of Request Funded
Catholic Charities: Senior Services	\$ 73,000	\$ 32,000	\$ 41,000	44%
Children's Speech and Reading Center: Childhood Communication	\$ 20,000	\$ 16,000	\$ 4,000	80%
ChildSafe Colorado: Child Abuse Treatment Program	\$ 64,500	\$ 40,000	\$ 24,500	62%
Crossroads Safehouse: Bringing Justice Home Legal Services	\$ 25,000	\$ 15,000	\$ 10,000	60%
Disabled Resource Services: Disability Services for Independence	\$ 35,000	\$ 25,000	\$ 10,000	71%
Early Childhood Council of Larimer County: Professional Development Scholarships	\$ 37,900	\$ 0	\$ 37,900	0%
Elderhaus Adult Day Program: Direct Care for Fort Collins Residents Living with Disabilities	\$ 60,000	\$ 30,000	\$ 30,000	50%
Enight Skills Center: Low Vision Rehabilitation Care & Support Services	\$ 25,000	\$ 15,000	\$ 10,000	60%
Exceptional Kids: HighPointe Services	\$ 50,000	\$ 15,000	\$ 35,000	30%
Family Housing Network: Sherwood House – Bridge Housing	\$ 20,000	\$ 15,000	\$ 5,000	75%
FoCo Café: Community Meals	\$ 18,000	\$ 0	\$ 18,000	0%
Food Bank for Larimer County: Kids Café	\$ 35,000	\$ 22,000	\$ 13,000	63%
Homeward Alliance: Family Services	\$ 45,000	\$ 35,000	\$ 10,000	78%
Homeward Alliance: Murphy Center	\$ 45,000	\$ 32,000	\$ 13,000	71%
L'Arche Fort Collins: L'Arche Fort Collins	\$ 55,000	\$ 0	\$ 55,000	0%
Larimer County Partners: Youth Mentoring & Prevention	\$ 27,500	\$ 15,000	\$ 12,500	55%
McBackpack: McBackpack Program	\$ 30,000	\$ 16,700	\$ 13,300	56%
Meals on Wheels for Fort Collins: Meal Delivery Program	\$ 50,000	\$ 31,000	\$ 19,000	62%
Neighbor to Neighbor: Rent Assistance Coordination	\$ 70,000	\$ 42,000	\$ 28,000	60%
Plan de Salud del Valle: Primary Health Care Services in Fort Collins	\$ 60,000	\$ 0	\$ 60,000	0%
Project Self-Sufficiency: Project Self-Sufficiency	\$ 40,000	\$ 21,000	\$ 19,000	53%
Respite Care: Childcare Scholarships	\$ 40,000	\$ 25,500	\$ 14,500	64%

Applicant Project/Program	Funding Request	HS&HF Board's Recommended Funding	Unfunded Balance	Percent of Request Funded
Rocky Mountain Youth Medical & Nursing Consultants: Health & Wellness Centers	\$ 20,000	\$ 15,000	\$ 5,000	75%
SAVA Center: Sexual Assault Victim Services	\$ 50,000	\$ 26,000	\$ 24,000	52%
Sproutin Up: Cooking and Lunch Programs	\$ 15,000	\$ 0	\$ 15,000	0%
Teaching Tree Early Childhood Learning Center: Childcare Scholarships	\$ 85,000	\$ 54,000	\$ 31,000	64%
The Arc of Larimer County: Transition Opportunity Scholarship Fund	\$ 15,000	\$ 0	\$ 15,000	0%
The Crawford Child Advocacy Center: Fighting Child Sexual Abuse & Maltreatment	\$ 22,300	\$ 17,000	\$ 5,300	76%
The Family Center/La Familia: Family Support Services	\$ 70,000	\$ 43,277	\$ 26,723	62%
The Matthews House: Youth & Family Center	\$ 52,000	\$ 30,000	\$ 22,000	58%
The Quarter Project: The Quarter Project of Northern Colorado	\$ 25,000	\$ 15,000	\$ 10,000	60%
The Salvation Army: Rent & Utilities Assistance	\$ 35,000	\$ 19,000	\$ 16,000	54%
The Vegetable Connection: Feeding the Families	\$ 15,000	\$ 0	\$ 15,000	0%
United Way of Larimer County: Larimer Child Care Fund	\$ 40,000	\$ 23,000	\$ 17,000	58%
United Way of Weld County: Coordinated Assessment and Housing Placement System (CAHPS)	\$ 40,000	\$ 21,000	\$ 19,000	53%
Vindeket Foods: Vindeket Market	\$ 30,000	\$ 19,500	\$ 10,500	65%
Volunteers of America: Handyperson Program	\$ 22,000	\$ 15,000	\$ 7,000	68%
Volunteers of America: Home Delivered Meals Program	\$ 46,000	\$ 24,000	\$ 22,000	52%
Human Service Total	\$1,769,200	\$ 907,977	\$ 861,223	51%

FUNDING RECOMMENDATIONS BY CATEGORY

A summary of the funding recommendations by category is presented in the following table:

Category	Recommended Funding	% of Total
Planning and Administration	\$ 302,785	7%
Housing	\$2,800,000	67%
Public Service	\$ 169,736	4%
Human Service	\$ 907,977	22%
Total	\$4,180,498	100%

The justifications for the Human Services and Housing Funding Board's recommendations can be found in the draft minutes of the April 25 and April 26, 2023 meetings.

PUBLIC OUTREACH

A meeting that combined the Human Services and Housing Funding Board and the Affordable Housing Board was held on March 29, 2023, to discuss the merits of the housing proposals, without any funding discussion. Housing applicants also had the opportunity to make presentations at that meeting and respond to questions. The Affordable Housing Board met on April 6, 2023, and created their own project ranking list, which was then made available to the Human Services and Housing Funding Board as a resource to consider during funding deliberations. The Human Services and Housing Funding Board met on April 5, 2023, to discuss the merits of the human services proposals and identify follow-up questions for the applicants, without any funding discussion. The Human Services and Housing Funding Board held a meeting on April 25, 2023, to deliberate the housing proposals and CDBG public service proposals, and again on April 26, 2023, to deliberate the human service proposals, and make funding recommendations. All meetings were open to the public and added to the City calendar.

The City of Fort Collins Citizen Participation Plan for HUD funds requires a 30-day public comment period on the proposed allocation of CDBG and HOME funds prior to Council's final decision. Staff placed an ad in the Coloradoan newspaper on May 4, 2023, presenting the list of recommended funding for programs/projects and indicated the public comment period would start on May 6, 2023, and end on June 6, 2023. The Council meeting on June 6, 2023, will serve as a Public Hearing and comments will be recorded and reported to HUD in August. The public notice of funding recommendations was placed on the Social Sustainability Department's website. It was also distributed to applicants and entities serving a majority of clients in legally protected classes-including those in a racial/ethnic minority, those with a disability, or female heads of households-or serving those community members who might otherwise have barriers to public participation in the City's civic engagement processes. To date, the public comments received have largely been statements of gratitude from the applying agencies.

ATTACHMENTS

1. Resolution for Consideration
2. Funding Request and Recommendations Summary
3. Affordable Housing Board Priority Rankings
4. Human Services Priorities Distributions
5. Scorecard Rankings
6. HSHF Board Minutes, April 25, 2023
7. HSHF Board Minutes, April 26, 2023