

Council Agenda Summary

April 19, 2022

Agenda Item Number

Key Staff Contact: Benjamin L. Snow,
Economic Health & Housing Director, 350-9384

Title

Public hearing to consider proposed changes to the Annual Action Plan Activities and Budget for Program Year 2022 for the Community Development Block Grant

Summary

Background

In October 2021, City Council approved activities and budgets within the 2022 Annual Action Plan, which sets forth a one-year plan for use of the Community Development Block Grant (CDBG) and HOME Investment Partnership Program grant (HOME). The City is entitled to receive these grants from the U. S. Department of Housing and Urban Development (HUD). [HUD requires that recipients implement a new strategic plan every five years that details how they will prioritize federal grants during those five years and then an Annual Action Plan to implement the priorities of the strategic plan. The strategic plan is part of the consolidated planning process, which serves as the framework for a community-wide dialogue that aligns housing and community development priorities with the noted federal formula grant programs. The 2022 Annual Action Plan is the third year of the City's current Strategic Plan (2020-2024).

A number of conditions resulted in staff proposing, and the GURA Board of Commissioners endorsing, modifications to the approved 2022 CDBG activities and budget. A public comment period for the proposed changes was open from March 15, 2022 through April 14, 2022, during which the GURA Board held the first Public Hearing (April 13, 2022). City Council's consideration of the proposed changes must also include a public hearing.

Changes proposed

The reasons for the proposed changes are noted below, along with the impact to the 2022 CDBG budget. HUD has not sent notice of the actual 2022 CDBG (or HOME) grant awards to the City yet; the final CDBG budget will reflect any changes needed to accommodate the actual grant amounts or final funds available after the City's audit is completed. To accommodate any further small budget changes (10% or less of the 2022 CDBG award), the

GURA Board continues to recommend the 5th Street Infrastructure activity budget to accommodate any such budget adjustment.

Change 1: Ineligible activity –Denver HUD staff deemed the use of certain funds attributed to acquisition to be an ineligible use of funds, specifically the use of CDBG funds to maintain the acquired properties for an extended period. Rather than reimburse HUD for the use of these funds HUD is allowing the funds to be redirected to another eligible activity:

Proposed change to activities/budget – Allocate \$110,023.16 from the ineligible activity to the 2022 5th Street Infrastructure activity.

Change 2: 2022-2023 Cold Weather Shelter award – United Way was awarded \$20,000 in 2022 CDBG funds to help staff the Cold Weather Shelter. It was later was awarded \$360,000 in CDBG-Coronavirus funds to support the Housing Navigation Center/Cold Weather Shelter and day use facility, at its new location. After sorting out the funds used for sheltering during the pandemic it was determined that the original allocation of \$20,000 was not needed as first anticipated.

Proposed change to activities/budget – Rescind the \$20,000 award to United Way for the Cold Weather Shelter support and add those funds to the 2022 5th Street Infrastructure activity.

Change 3: 2022 Connections for Independent Living award – The environmental review (required of all expenditures of HUD grants) conducted for the activity approved for 2022 CDBG funding at Connections for Independent Living revealed an environmental concern, conflicting with the use of the funds.

Proposed change to activities/budget – Rescind the \$11,200 award to Connections for Independent Living for the public facility support and add the funds to the 2022 5th Street Infrastructure activity.

Change 4: Close the Single-family Housing Rehab Loan Program – This long-standing CDBG program appears to have run its course: applications for rehab loans are extremely infrequent, leaving unexpended funds and revolving loan income to accumulate in this account and affecting the City's ability to fully expend its grant timely. Secondly, the substantial federal requirements placed on contractors for such work have severely reduced the pool of eligibly contractors willing to bid these relatively small jobs. The GURA Board concluded that it was time to discontinue this program.

Proposed change to activities/budget – Close the Single-family Housing Rehab Program. Move the \$275,000 in revolving loan funds to the 2022 5th Street Infrastructure activity. Future revolving loan funds received will be incorporated into another year's CDBG budget.

Change 5: Available program income – Program income received during 2021 had not been allocated to a 2022 activity.

Proposed change to activities/budget – Allocate available program income of approximately \$130,000 to the 2022 5th Street Infrastructure activity,

Change 6: Unallocated grant funds – From time-to-time, activities will come in under budget or agencies will decide to decline awards, leaving those grant funds available to other activities.

The amount is currently estimated at approximately \$21,100 +/-, to be determined with final audit of CDBG funds.

Proposed change to activities/budget – Allocate any available grant funds to the 2022 5th Street Infrastructure activity.

Comments received

Three non-profit representatives requested and were provided with additional information on the 5th Street Infrastructure activity. One requested and was provided additional information on the single-family housing rehab program. One commenter stated support for the budget changes.

Any of the proposed changes accepted by City Council will be incorporated into the 2022 Annual Action Plan prior to its submittal to HUD. It is requested that the approval be by motion, as noted below under “Council’s Recommended Action”.

Fiscal Impact

Does this item create a fiscal impact on the City of Greeley?	Yes; CDBG is annual entitlement grants available to the City.
If yes, what is the initial or onetime impact?	Estimated at \$840,000 CDBG and \$300,000 HOME
What is the annual impact?	N/A
What fund of the City will provide funding?	N/A
What is the source of revenue within the fund?	U. S. Dept. of Housing & Urban Development
Is there grant funding for this item?	Yes, this is a HUD grant
If yes, does this grant require a match?	No
Is this grant onetime or ongoing?	Ongoing
Additional Comments: NA	

Legal Issues

None.

Other Issues and Considerations

None.

Applicable Council Goal or Objective

Infrastructure & Growth: Public facilities & equipment; social infrastructure support

Decision Options

1. Approve the proposed changes to 2022 Action Plan activities and budgets, as presented; or
2. Request changes to the proposed changes recommended to the 2022 Action Plan activities and budgets, and then adopt with changes; or
3. Continue consideration of the items to the next regular Council meeting in order to utilize the 2020 CDBG grant and other funds timely.

Council's Recommended Action

A motion to accept the proposed changes to the 2022 Annual Action Plan activities and budget as presented and recommended by the Greeley Urban Renewal Authority with any further budget changes that are less than 10% of the annual grant to be applied to the 5th Street Infrastructure activity.

Attachments

- Updated budget