



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 02/28/2023

REQUESTER: Lisa D. Krieg

PRESENTER: Lisa D. Krieg, CDBG Grants Manager

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, AND OR POSTPONEMENT OF AMENDMENT NO. ONE TO CONTRACT K-2122-57: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND THE OKLAHOMA DEPARTMENT OF COMMERCE (ODOC) FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT CV2 PROGRAM FOR 2020 DECREASING THE GRANT AMOUNT BY \$905,500 FOR A NEW TOTAL OF \$611,000.

BACKGROUND:

In September 2021, the U.S. Department of Housing & Urban Development (HUD) released its allocations and program requirements for the Community Development Block Grant – Coronavirus Disease Relief Program (CDBG-CV2) as funded by the CARES Act, based on its estimate of critical unmet needs to address the effects of the COVID-19 Pandemic.

When Congress established the CARES Act, the Community Development Block Grant Program was awarded funding to be distributed in three tranches. They were designated as CV1; CV2; and CV3. CV 1 and 3 were distributed directly to CDBG Entitlement Programs and CV2 was distributed to the States to then be distributed through an application process administered by the Oklahoma Department of Commerce (ODOC).

The CDBG CV1 and CDBG CV3 awards from HUD were accepted by council as part of a Substantial Amendment to the Fifth Year Action Plan. The awards were as follows: \$533,680 CV-1; \$737,568 CV-3. The activities that were programmed as a result of these awards are continuing with approximately \$400,000 of funding remaining.

Within the eligibility criteria established by the Oklahoma Department of Commerce, the City of Norman was awarded \$1,516,500 of funding to be utilized to address the unmet needs as defined within the application.

The following activities and funding levels were established:

Nutrition Assistance: \$318,000

Childcare Assistance \$318,000

Rental Assistance \$810,900

Activity Delivery Costs \$69,600

DISCUSSION:

The City of Norman accepted K-2122-57 on September 14, 2021 from ODOC in the amount of \$1,516,500 in the CV2 award. At that time, a two-year contract was established, ending in August 2023. Adhering to the expenditure guidelines established in the CARES Act, ODOC is evaluating the expenditure rate of the awards and reallocating funding to higher performing communities. As the contract was first awarded, the program budgets were set to include an Activity Delivery fee allowance of up to 10% of expenditures. In addition there was an account established for staff salary reimbursement (21240002 42001; \$69,600). As the activities began implementation these funds would only be accessed at full expenditure. As a result of this reduction, the 42001 Salary account is being eliminated, the associated 10% Activity Delivery Costs are included within each activity account, and the following reductions in the program budgets are proposed by ODOC:

Rental Assistance Program (Food and Shelter, Inc.) The initial funding for this activity was \$810,900, which included \$45,900 of Activity Delivery Costs and \$765,000 for program costs. Additional Activity Delivery Cost funding was available within account 21240002 42001 Salaries if needed. This program is being reduced to a new program total of \$210,000 with an additional eligible total of Activity Delivery costs of \$21,000 available.

Once these CV2 (ODOC) funds have been expended, there is a remaining balance of CV1 and CV3 (HUD) funds that will be utilized. The Rental Assistance program is being administered by Food and Shelter, Inc. To date they have expended \$175,136.17 of funding. The slow disbursement was influenced by the amount of rental assistance that was available within the community as a response to appropriations by multiple entities to address the crisis. Discussion with Food and Shelter, Inc. indicate that this level of funding will be sufficient to meet the needs for the population that qualifies for this program with the contract time remaining.

Nutrition Program (Aging Services, Inc.; Meals on Wheels, Inc. and Thunderbird Clubhouse, Inc.) activities remain funded are ongoing. The initial funding for this activity was \$318,000, which included \$18,000 of Activity Delivery Costs and \$300,000 for program costs. The revised budget recommendation from ODOC is for \$300,000 of Program Costs and an additional \$30,000 of Activity Delivery Costs for a total budget of \$330,000.

Childcare Program The initial funding for this activity was \$318,000, which included \$18,000 of Activity Delivery Costs and \$300,000 for Program Costs. After the actual program parameters were provided by ODOC the administration of the program as proposed was not feasible due to the requirement that any sub recipient must be registered with SAMS.gov. This requirement disqualified the majority of private childcare providers. The Childcare Assistance program will now be utilized to provide vouchers to low and moderate-income households for fee based activities offered by the Parks and Recreation Department. The funding for this activity is being reduced from \$318,000 to \$50,000. Since this activity that is being administered entirely by the City of Norman, no Activity Delivery Costs are warranted.

The regulations allowed for Activity Delivery Costs of a maximum of 10% of expenditures to be provided to the entities administering the programs. There are no funds programmed for the City of Norman for the administration of this grant, instead these funds are passed along to the Non-

Profits. The total program budgets detailed above include the allowable 10% Activity Delivery fees.

To comply with this request, a letter had been prepared for the Mayor's signature, which will be submitted to ODOC.

RECOMMENDATION:

Staff recommends approval of Amendment One to Contract K-2122-57 with the Oklahoma Department of Commerce reducing the total award amount by \$905,500 to a new budget of \$611,000. These reductions and the resulting budgets will be reflected in the following cost centers after de-obligation of the funds:

Account	Existing Budget	Revised Program Budget	Revised Activity Delivery Budget	Total Budget After Reductions
21240002-42001 Salary	\$69,600	\$0	\$0	\$0
21240002-44715 Rent	\$810,900	\$210,000	\$21,000	\$231,000
21240002-44716 Nutrition	\$318,000	\$300,000	\$30,000	\$330,000
21240002-44721 Childcare	\$318,000	\$50,000	\$0	\$50,000
Total	\$1,516,500			\$611,000