



Dakota County

Legislation Text

File #: DC-303, Version: 1

DEPARTMENT: Physical Development Administration

FILE TYPE: Consent Action

TITLE

Approval Of Substantial Amendments To Dakota County Community Development Block Grant Coronavirus And Emergency Solutions Grant Coronavirus Programs

PURPOSE/ACTION REQUESTED

Approve substantial amendments to the Community Development Block Grant Coronavirus (CDBG-CV) Program and the Emergency Solutions Grant Coronavirus (ESG-CV) Program.

SUMMARY

Three types of substantial amendments are permissible by the U.S. Department of Housing and Urban Development (HUD): creation of a new activity or cancellation of an activity; increase or decrease of an activity budget by \$100,000 or more at one time, and change to the location and/or national objective of an activity. Dakota County received \$2,913,485 in CDBG-CV funds and \$2,109,564 in ESG-CV funds through HUD; these funds must be used for activities that prevent, prepare for, and respond to the coronavirus. The Dakota County Community Development Agency (CDA) administers the CDBG-CV and ESG-CV funds on behalf of the County and is requesting several substantial amendments to ensure the funds are spent in a timely manner and in compliance with HUD guidance.

CDBG-CV Substantial Amendments

Currently, the CDBG-CV funds have been allocated for a variety of Public Service activities administered by non-profit service providers to assist low- and moderate-income residents with new or substantially expanded public services related to the coronavirus. At least 80 percent of the CDBG-CV funds must be expended by September 30, 2022. Since the County Board approved the CDBG-CV budget in May 2021, there have been additional requests for funds from non-profits and additional guidance from HUD regarding eligible uses. These activities are mostly expansions due to the coronavirus. The only new activities will provide funds to Dakota Children & Family Clinic for mental and physical health services for low- and moderate-income patients that have dealt with adverse effects caused by the coronavirus, as well as for coronavirus testing. The proposed changes to the CDBG-CV budget and details are included in the attachment called "Proposed CDBG-CV and ESG-CV Substantial Amendments."

ESG-CV Substantial Amendments

The ESG-CV budget had originally included funds for rapid rehousing activities, including rental assistance and stabilization services. Staff is proposing to cancel these activities and transfer the funds to the Emergency Shelter Operations activity. The total budget for that activity will be \$1,879,481. All the ESG-CV funds must be expended by September 30, 2022. The details of the

proposed uses for the ESG-CV funds are included in the attachment called "Proposed CDBG-CV and ESG-CV Substantial Amendments."

The substantial amendments must be included in the Dakota County 2019 Action Plan. The CDA Citizen Participation Plan requires public notification of substantial amendments. The public notice for the substantial amendments described above was placed in the *Dakota Tribune* on November 12, 2021. The notice was also published on the CDA and Dakota County websites. No comments were received.

RECOMMENDATION

Community Development Agency and County staff recommend approval of the substantial amendments to the Dakota County CDBG-CV and ESG-CV Programs.

BOARD GOALS

- | | |
|---|---|
| <input checked="" type="checkbox"/> A Great Place to Live | <input type="checkbox"/> A Healthy Environment |
| <input type="checkbox"/> A Successful Place for Business and Jobs | <input type="checkbox"/> Excellence in Public Service |

PUBLIC ENGAGEMENT LEVEL

- | | | | |
|--|----------------------------------|----------------------------------|---|
| <input type="checkbox"/> Inform and Listen | <input type="checkbox"/> Discuss | <input type="checkbox"/> Involve | <input checked="" type="checkbox"/> N/A |
|--|----------------------------------|----------------------------------|---|

EXPLANATION OF FISCAL/FTE IMPACTS

- | | | |
|--|---|--------------------------------|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Current budget | <input type="checkbox"/> Other |
| <input type="checkbox"/> Amendment Requested | <input type="checkbox"/> New FTE(s) requested | |

RESOLUTION

WHEREAS, Dakota County is an Entitlement Community and receives funds from the U.S. Housing and Urban Development Department (HUD) for the Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) Programs; and

WHEREAS, the Dakota County Community Development Agency (CDA) administers the CDBG and ESG programs on behalf of Dakota County per agreements between HUD and Dakota County for the CDBG and ESG funds and between Dakota County and the Dakota County CDA for CDBG and ESG program administration; and

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted on March 27, 2020, appropriated \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds and \$4 billion in Emergency Solutions Grant Coronavirus (ESG-CV) funds to respond to the COVID-19 pandemic; and

WHEREAS, Dakota County was allocated \$2,913,485 of CDBG-CV funds and \$2,109,564 of ESG-CV funds to be used for eligible activities that prevent, prepare for, and respond to the coronavirus; and

WHEREAS, 80 percent of the CDBG-CV funds must be expended before September 30, 2022, and 100 percent of the ESG-CV funds must be expended before September 30, 2022; and

WHEREAS, three types of substantial amendments are permissible by HUD: creation of a new

activity or cancellation of an activity; increase or decrease of an activity budget by \$100,000 or more at one time; and change to the location and/or national objective of an activity; and

WHEREAS, by Resolutions 20-597 and 21-276, the Dakota County Board of Commissioners added eligible CDBG-CV and ESG-CV activities to the Dakota County 2019 Action Plan (2019 Action Plan); and

WHEREAS, there have been additional requests for CDBG-CV and ESG-CV funds by non-profits; and

WHEREAS, the CDA requests the following substantial amendments to the 2019 Action Plan and the CDBG-CV Program:

1. Reduce the budget for the Public Services: Emergency Subsistence Payments activity from \$1,547,685 to \$1,185,266 (total \$362,419)
2. Increase the budget for the Public Services: Food Bank activity from \$306,027 to \$603,301 (total \$297,274)
3. Create the Public Services: Mental Health Services activity and fund with a budget of \$66,473
4. Create the Public Services: Health Services activity and fund with a budget of \$164,645
5. Increase the budget for the Public Facilities: Homeless Facility activity from \$210,000 to \$370,000 (total \$160,000)
6. Cancel the Public Services: Housing Counseling activity and transfer the funds (\$100,000) to the Mental Health Services activity
7. Cancel the Public Services: Financial Literacy activity and transfer the funds (\$193,973) to the Food Bank activity

; and

WHEREAS, the CDA requests the following substantial amendments to the 2019 Action Plan and the ESG-CV Program:

1. Cancel the Homeless Prevention: Rental Assistance activity and transfer the funds (\$50,000) to the Emergency Shelter Operations activity
2. Cancel the Homeless Prevention: Stabilization Services activity and transfer the funds (\$22,000) to the Emergency Shelter Operations activity

; and

WHEREAS, public notice of the substantial amendments to the County's CDBG-CV and ESG-CV Programs was placed in the *Dakota Tribune* on November 12, 2021, and on the CDA and Dakota County's websites, in accordance with the approved Citizen Participation Plan process, and no public comments were received on the proposed amendments.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby approves the substantial amendments to the Dakota County Community Development Block Grant Coronavirus and Emergency Solutions Grant Coronavirus Programs.

PREVIOUS BOARD ACTION

20-597; 12/1/20

21-276; 5/18/21

ATTACHMENTS

Attachment: Proposed CDBG-CV and ESG-CV Substantial Amendments
Attachment: Affidavit of Publication and Public Comment Notice

CONTACT

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