

AGENDA ITEM SUMMARY June 1, 2021
City Council

STAFF

Adam Molzer, Grant & Community Partnership Coordinator
Ingrid Decker, Legal

SUBJECT

Items Relating to the Completion of the 2021 Spring Cycle of the Competitive Process for Allocating City Financial Resources to Affordable Housing and Community Development Activities Utilizing Funds from the Federal Community Development Block Grant (CDBG) Program, Federal HOME Investment Partnerships (HOME) Program, the City’s Affordable Housing Fund (AHF) and the City’s Human Services Program (HSP), and Appropriating Funding Accordingly.

EXECUTIVE SUMMARY

THIS ITEM HAS BEEN AMENDED TO REVISE THE NUMBERS INDICATED ON PAGE 3.

- A. Public Hearing and Resolution 2021-062 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.
- B. Public Hearing and First Reading of Ordinance No. 076, 2021, Appropriating Unanticipated Revenue in the Community Development Block Grant Fund.
- C. Public Hearing and First Reading of Ordinance No. 077, 2021, Appropriating Unanticipated Revenue in the HOME Investment Partnerships Program.

The purpose of this item is to approve funding recommendations of the 2021 Spring Cycle of the Competitive Process and appropriate federal dollars.

Resolution 2021-062 will complete the 2021 Spring Cycle of the Competitive Process for allocating \$4,103,056 in City financial resources to affordable housing and public facility projects, human service programs and administration of the programs.

Ordinance No. 076, 2021 and Ordinance No. 077, 2021 appropriate the City’s FY2021 Community Development Block Grant (CDBG) Entitlement Grant and FY2021 Home Investment Partnerships Program (HOME) Participating Jurisdiction Grant from the Department of Housing and Urban Development (HUD), and CDBG program income from FY2019 & FY2020 and HOME Program Income from FY2019 & FY2020.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution and Ordinances on First Reading.

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 2021 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 2021, the total dollar amount available is \$4,589,450, with \$4,103,056 being allocated to fulfill the FY2021 project requests. The following table shows available dollars in each funding category:

FY2021 FUNDING CATEGORIES

Funding Source	Amount
FY2021 Housing	\$3,186,394
FY2021 Human Service	\$1,101,656
FY2021 Planning and Administration	\$301,400
Total	\$4,589,450

Federal funds available for allocation total \$2,557,251. These funds are sourced from seven categories designated by HUD, including: FY2021 Entitlement Grants (CDBG and HOME - new funding), FY2020 and FY2019 Unanticipated Program Revenue (CDBG and HOME - new funding), Prior Year Funds (CDBG - re-appropriated).

Unanticipated Revenue Funds include repayments from loans issued for rehabilitation, homebuyer assistance, acquisition and development. Fifteen percent (15%) of CDBG funds received can be allocated towards public services. Twenty percent (20%) of CDBG funds received can be allocated to current year planning and administration.

Prior Year Funds (CDBG FY2020) represent previously Council-committed funds that are available for re-allocation in the housing category only.

Total federal contribution to the Housing category is \$2,043,843.

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

Total federal contribution to the Human Service category is \$212,008: \$169,166 from the FY2021 CDBG Entitlement grant and \$42,842 from CDBG FY2020 Unanticipated Program Income.

HUD regulations allow a maximum of 20% of the CDBG Entitlement grant (\$228,879) to be used for CDBG planning and program administration costs.

HUD regulations allow a maximum of 10% of HOME Entitlement grant (\$72,521) to be used for HOME planning and program administration.

Total federal contribution to the Planning and Program Administration category is \$301,400.

The following table provides a summary of 2021 federal funding sources for Housing, Human Service and Planning/Program Administration:

FEDERAL FUNDS

Funding Source	Total Funds	Housing	Human Service	Planning / Admin
FY21 CDBG Entitlement Grant	\$ 1,144,395	\$ 746,350	\$ 169,166	\$ 228,879
FY20 Unanticipated Revenue CDBG	\$ 285,612	\$ 242,770	\$ 42,842	
FY19 Unanticipated Revenue CDBG	\$ 125,033	\$ 125,033		

Funding Source	Total Funds	Housing	Human Service	Planning / Admin
Prior Year CDBG Funds (previously appropriated and available)	\$ 44,351	\$ 44,351		
FY21 HOME Entitlement Grant	\$ 725,218	\$ 652,697		\$ 72,521
FY20 Unanticipated Revenue HOME	\$ 82,332	\$ 82,332		
FY19 Unanticipated Revenue HOME	\$ 150,310	\$ 150,310		
TOTAL Federal Funds	\$ 2,557,251	\$ 2,043,843	\$ 212,008	\$ 301,400

The City's contribution to the Housing category is \$1,142,551.

The City's contribution to the Human Service category is \$889,648.

City Funds do not contribute towards planning and program administration.

The following table provides a summary of 2021 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 Service Program (GF)	\$ 521,601		\$ 521,601	
Affordable Housing Fund (GF)	\$ 942,551	\$ 942,551		
General Fund OCP	\$ 568,047	\$ 200,000	\$ 368,047	
TOTAL City Funds	\$ 2,032,199	\$ 1,142,551	\$ 889,648	

COMBINED FUNDING TOTALS

	Total Funds	Housing	Human Service	Planning / Admin
	\$ 4,589,450	\$ 3,186,394	\$ 1,101,656	\$301,400

The City received 49 housing and human service applications totaling \$4,644,435. In the housing category, four proposals were received totaling \$2,700,000. The available funding in the Housing category equals \$3,186,394 (this amount comes from \$1,999,492 in new CDBG/HOME appropriations plus \$1,186,902 previously appropriated) and thus there is no shortage in Housing dollars. The balance of \$486,394 in excess Affordable Housing Fund dollars will be carried forward for allocation to eligible housing projects in 2022. In the Human Service and Public Facility category, 45 applications were received totaling \$1,944,435 (**Attachment 1**). There is a shortage in Human Service dollars of \$842,779. The following table summarizes the amount of funding requests compared to the amount of funding available for each of the categories:

FY2021 FUNDING REQUESTS BY CATEGORY

Category	Number of Applications	Available Funding	Requested Funding	Available - Request Difference
Administration - CDBG	*	\$ 228,879	\$ 228,879	\$ 0
Administration - HOME	*	\$ 72,521	\$ 72,521	\$ 0
Housing	4	\$ 3,186,394	\$ 2,700,000	+ \$ 486,394
Human Service and Public Facility	45	\$ 1,101,656	\$ 1,944,435	- \$ 842,779
Totals	49	\$ 4,589,450	\$ 4,945,835	- \$ 356,385

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 FY2021, the total amount of federal funds available for allocation is \$2,557,251 and the City’s contribution is \$1,545,805. 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 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 RECOMMENDATION

The Human Services and Housing Funding Board (previously named the CDBG Commission) recommends adoption of their funding recommendations made on April 29, 2021. The Board read all 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 (**Attachment 2**), the goals of the Affordable Housing Strategic Plan and the priorities of the HUD required Five-Year Consolidated Plan. In the Human Service category, they considered the performance of current grantees, the priority areas of the Social Sustainability Strategic Plan (**Attachment 3**), 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 all participating Board members (**Attachment 4**). Statistical breaks were identified within the ranked order and the Board proceeded to deliberate funding recommendations following a rules-based protocol that they had predetermined.

The evaluation process for both the Housing and Human Services categories addressed deeply rooted community needs that pre-date the COVID-19 pandemic and will remain after the public health emergency passes. COVID-19 was not a leading determinant in the funding recommendations. Many applicants were supported with federal CARES-CVRF funding deployed by the City to nonprofit providers for their pandemic response work and may also be eligible for future funding assistance from the City when guidelines for the American Rescue Plan Act funds are determined.

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 he or she has a financial or personal conflict of interest. At the Board’s regular meeting on March 10, 2021, a presentation from the Senior Assistant City Attorney was made to all the Human Services and Housing Funding Board members detailing the City Charter and Code provisions regarding conflict of interest and the disclosure process.

The following tables present the allocations recommended by the Board to Council within each major category:

PLANNING AND ADMINISTRATION CATEGORY

Applicant Project/Program	Funding Request	Recommended Funding	Unfunded Balance	Percent of Request Funded
City of Fort Collins: CDBG Administration/Planning	\$ 228,879	\$ 228,879	\$0	100%
City of Fort Collins: HOME Administration/Planning	\$ 72,521	\$ 72,521	\$0	100%
Administration/Planning Total	\$ 301,400	\$ 301,400	\$0	100%

HOUSING CATEGORY

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

Applicant Project/Program	Funding Request	HSandHF Board's Recommended Funding	Unfunded Balance	Percent of Request Funded
Mercy Housing: Northfield Affordable	\$ 450,000	\$ 450,000	\$0	100%
Neighbor to Neighbor: Coachlight Plaza Rehabilitation	\$ 500,000	\$ 500,000	\$0	100%
Neighbor to Neighbor: Phase 1 Rehab - 44 Affordable Apartments	\$ 800,000	\$ 800,000	\$0	100%
Villages Ltd. - Housing Catalyst	\$ 950,000	\$ 950,000	\$0	100%
Housing Total	\$ 2,700,000	\$ 2,700,000	\$ 0	100%

There was an unallocated balance of \$486,394 remaining in City Affordable Housing Funds after all applications received full funding recommendations. These funds can be re-appropriated for use for affordable housing projects in 2022.

HUMAN SERVICE CATEGORIES

In the Human Service and Public Facility category, 45 proposals were received and 39 are being recommended for funding, ranging from 13% to 81% of requests. Six proposals are not being recommended for funding. There is a funding gap of \$842,779. Those recommendations are listed in the table below:

Applicant Project/Program	Funding Request	HSandHF Board's Recommended Funding	Unfunded Balance	Percent of Request Funded
A Little Help: A Little Help for Older Adults in Fort Collins	\$40,000	\$20,000	\$20,000	50%
Boys and Girls Clubs of Larimer County: Boys and Girls Clubs of Larimer County	\$60,000	\$35,000	\$25,000	58%
CASA Program: Court Appointed Special Advocates	\$56,412	\$40,000	\$16,412	71%
CASA Program: Visitation and Exchange - Harmony House	\$55,196	\$40,000	\$15,196	72%

Applicant Project/Program	Funding Request	HSandHF Board's Recommended Funding	Unfunded Balance	Percent of Request Funded
Catholic Charities: Senior Services	\$46,370	\$27,000	\$19,370	58%
Catholic Charities: The Mission Shelter	\$80,000	\$60,000	\$20,000	75%
Children's Speech and Reading Center: Speech-Language, Reading, Pre-Literacy	\$20,000	\$5,000	\$15,000	25%
ChildSafe Colorado: Child Abuse Treatment Program	\$60,075	\$35,000	\$25,075	58%
Colorado Health Network (NCAP): Emergency Financial Assistance	\$20,000	\$0	\$20,000	0%
Crossroads Safehouse: Advocacy and Support	\$60,447	\$40,000	\$20,447	66%
Disabled Resource Services: Access to Independence	\$31,062	\$20,000	\$11,062	64%
Elderhaus Adult Day Program: Elderhaus Adult Day Program	\$58,000	\$30,000	\$28,000	52%
Enight Skills Center: Low Vision Rehabilitation Program	\$10,500	\$5,000	\$5,500	48%
Family Housing Network: Shelter Programs	\$37,000	\$30,000	\$7,000	81%
FOCO Café: Community Meals	\$10,000	\$0	\$10,000	0%
Food Bank for Larimer County: Kids Café	\$30,000	\$21,000	\$9,000	70%
Genesis Project Fort Collins: Genesis Project	\$20,000	\$0	\$20,000	0%
Homeward Alliance: Family Services Programs	\$40,000	\$30,000	\$10,000	75%
Homeward Alliance: Murphy Center Programs	\$40,000	\$30,000	\$10,000	75%
La Cocina: Grupito FAVITAS	\$65,250	\$30,000	\$35,250	46%
Larimer County Partners: Youth Mentoring	\$15,000	\$5,000	\$10,000	33%
Meals on Wheels for Fort Collins: Meal Delivery Program	\$40,000	\$25,000	\$15,000	63%
Neighbor to Neighbor: Homelessness Prevention Programs	\$140,000	\$107,656	\$32,344	77%
Partnership for Age-Friendly Communities: Social Isolation Identification Program	\$37,572	\$0	\$37,572	0%
Plan de Salud del Valle: Access to Integrated Primary Care Services	\$100,000	\$60,000	\$40,000	60%
Poudre School District: PSD After 3 Programs for Title I Schools	\$75,000	\$32,000	\$43,000	43%
Project Self-Sufficiency: Project Self-Sufficiency	\$50,000	\$25,000	\$25,000	50%
Respite Care: Childcare Scholarships	\$40,000	\$23,000	\$17,000	58%
SAVA Center: Prevention Education	\$40,000	\$5,000	\$35,000	13%
SAVA Center: Sexual Assault Victim Services	\$50,000	\$25,000	\$25,000	50%

Applicant Project/Program	Funding Request	HSandHF Board's Recommended Funding	Unfunded Balance	Percent of Request Funded
SummitStone Health Partners: Essential Mental Health Services - Murphy Center	\$30,000	\$20,000	\$10,000	67%
SummitStone Health Partners: Community Behavioral Health Treatment Program	\$30,000	\$15,000	\$15,000	50%
Teaching Tree Early Childhood Learning Center: Childcare Scholarships	\$85,000	\$65,000	\$20,000	76%
The Center for Family Outreach: Family Intervention Program / Parenting Navigation	\$15,000	\$0	\$15,000	0%
The Family Center/La Familia: Family Support and Early Childhood Education	\$75,000	\$60,000	\$15,000	80%
The Matthews House: Youth and Family Center	\$45,843	\$25,000	\$20,843	55%
The Quarter Project: GEMS/GSAS/STEM Femmes Program	\$9,000	\$5,000	\$4,000	56%
The Salvation Army: Rent and Utility Assistance	\$20,000	\$10,000	\$10,000	50%
The Vegetable Connection: Feeding the Families Program	\$12,000	\$0	\$12,000	0%
Turning Point Center for Youth and Family Development: Crisis Intervention Services	\$30,000	\$14,000	\$16,000	47%
United Way of Larimer County: Childcare Scholarship Fund	\$50,000	\$20,000	\$30,000	40%
United Way of Weld County: Coordinated Assessment and Housing Placement System (CAHPS)	\$30,000	\$17,000	\$13,000	57%
Voices Carry Child Advocacy Center: Child Abuse Response Services	\$26,308	\$10,000	\$16,308	38%
Volunteers of America: Handyman Program	\$17,500	\$10,000	\$7,500	57%
Volunteers of America: Home Delivered Meal Service	\$40,900	\$25,000	\$15,900	61%
Human Service Total	\$ 1,944,435	\$ 1,101,656	\$ 842,779	57%

FUNDING RECOMMENDATIONS BY CATEGORY

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

Category	Recommended Funding	% of Total
CDBG and HOME Program Administration	\$ 301,400	7%
Housing	\$ 2,700,000	66%
Human Service	\$ 1,101,656	27%
Total	\$ 4,103,056	100%

The justifications for the Human Services and Housing Funding Board's recommendations can be found in the minutes of the April 29, 2021, meeting. **(Attachment 5)**

PUBLIC OUTREACH

A meeting that combined the Human Services and Housing Funding Board and the Affordable Housing Board was held on March 24, 2021, 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 1, 2021, 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 7, 2021, to discuss the merits of the human services proposals and identify follow-up questions for the applicants, without any funding discussion. The Board held a meeting on April 29, 2021, to deliberate all 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 5, 2021, presenting the list of recommended funding for programs/projects and indicated the public comment period would start on May 6, 2021, and end on June 6, 2021. The Council meeting on June 1, 2021, 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 12 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. Summary of Organizations Requesting Funding and Recommendations (PDF)
2. Affordable Housing Board Priority Rankings (PDF)
3. Funds Distribution Based on Human Services Priorities (PDF)
4. Scorecard Rankings (PDF)
5. Human Services and Housing Funding Board Minutes (PDF)