

One-rdg. \_\_\_\_\_  
P. Hrngs. \_\_\_\_\_  
Pgs. 4  
Filed: 03-30-21

Sponsored by: Ollis

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

COUNCIL BILL 2021-077

SPECIAL ORDINANCE \_\_\_\_\_

AN ORDINANCE

1 AUTHORIZING the City Manager, or his designee, to utilize U.S. Department of  
2 Housing and Urban Development funds budgeted for the City of  
3 Springfield’s Comprehensive Housing Assistance Program to  
4 supplement Coronavirus Aid, Relief, and Economic Security Act  
5 funds allocated for Affordable Housing Assistance by Special  
6 Ordinance 27336. (Staff recommends approval.)  
7  
8

9 WHEREAS, the City of Springfield receives annual grants of funds from the  
10 federal Department of Housing and Urban Development (“HUD”) Community  
11 Development Block Grant (“CDBG”) entitlement program to help support affordable  
12 housing and other programs to benefit low- and moderate-income persons, of which  
13 \$734,574.47 was allocated to the Comprehensive Housing Assistance Program  
14 (“CHAP”) by City Council in Special Ordinance 27403; and  
15

16 WHEREAS, HUD regulations require CDBG activities to be carried out in a timely  
17 manner, by ensuring the City’s balance of CDBG funds must be no greater than one  
18 and one-half (1.5) times its annual grant remaining in its line of credit on May 2, 2021;  
19 and  
20

21 WHEREAS, CDBG expenditures toward CHAP have been lower than expected;  
22 and  
23

24 WHEREAS, on March 27, 2020, the Coronavirus Aid, Relief, and Economic  
25 Security Act (“CARES Act”) was signed into law, making available Community  
26 Development Block Grant Coronavirus (“CDBG-CV”) funds; and  
27

28 WHEREAS, in Special Ordinance 27336 City Council allocated \$183,000 of  
29 CDBG-CV funds for Affordable Housing Assistance, with an additional \$200,000 of  
30 HOME Investment Partnership Program (“HOME”) funds to be used for the same  
31 purpose; and  
32

33 WHEREAS, City Council now desires that \$200,000 of CDBG funds previously  
34 allocated for CHAP by Special Ordinance 27403 be used to supplement the \$183,000 of

35 CDBG-CV funds for Affordable Housing Assistance instead of the HOME funds  
36 allocated by Special Ordinance 27336, with said HOME funds to be returned for any  
37 eligible use under the HOME Program.  
38

39 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
40 SPRINGFIELD, MISSOURI, as follows, that:  
41

42 Section 1 – The City Manager, or his designee, is hereby authorized to utilize up  
43 to \$200,000 of CDBG funds allocated for CHAP to supplement CDBG-CV funds  
44 allocated for Affordable Housing Assistance by Special Ordinance 27336, and to  
45 exercise all powers necessary to carry out the purpose of this Ordinance, including the  
46 execution of contracts, provided the form of the contract is approved by the City  
47 Attorney. HOME funds previously allocated by Special Ordinance 27336 for Affordable  
48 Housing Assistance shall be returned for any eligible use under the HOME Program.  
49

50 Section 2 – This Ordinance shall be in full force and effect from and after  
51 passage.  
52

53 Passed at meeting: \_\_\_\_\_  
54

55 \_\_\_\_\_  
56 Mayor  
57

58 Attest: \_\_\_\_\_, City Clerk  
59

60 Filed as Ordinance: \_\_\_\_\_  
61

62 \_\_\_\_\_  
63 Approved as to form:  \_\_\_\_\_, Assistant City Attorney  
64

65 \_\_\_\_\_  
66 Approved for Council action:  \_\_\_\_\_, City Manager

## **EXPLANATION TO COUNCIL BILL 2021-077**

FILED: 03-30-21

ORIGINATING DEPARTMENT: Planning and Development Department

PURPOSE: Authorizing a change of U.S. Department of Housing and Urban Development (“HUD”) Grant funds budgeted for the City of Springfield’s Comprehensive Housing Assistance Program (“CHAP”) to supplement the CARES Act funds allocated by City Council in Special Ordinance 27336. This will facilitate a previously unanticipated need to meet a HUD expenditure ratio requirement and allow for prompt reimbursement from HUD.

BACKGROUND INFORMATION: The purpose of this bill is to substitute CDBG funds for HOME funds previously allocated for rental assistance.

The City received a \$916,138 CARES Act grant (“CDBG-CV”) from HUD for the express purpose to prevent, prepare for, and respond to the coronavirus (“COVID”). The initial proposed allocation for the application of funds was discussed at public meetings and by City Council. In response to public input, the decision was made to increase the funding allocation targeting the need for rent and utility assistance for low-income renters. With Council’s approval, an additional \$200,000 of CHAP HOME funds was combined with the CARES Act grant to increase the support for rent assistance. At the time staff projected that funds designated from the CHAP HOME grant and not the CHAP CDBG grant would be the optimal source from which to supplement this need. HOME grant funds were then allocated for that purpose. This decision was based on staff expectations of the required amount of CDBG expenditures needed to meet a HUD-directed expenditure requirement that must be met by May 2, 2021.

Subsequently, the anticipated CHAP CDBG expenditures were delayed due to the impact of the COVID restrictions and slower processes that affected the ability to expend the amount proposed for housing development. At this time staff is forecasting the need for additional CDBG expenditures to ensure we meet the May 2, 2021, spending requirements. The HUD HOME grant program does not have the same expenditure limit or deadline as the HUD CDBG grant. The exchange of \$200,000 of CHAP CDBG grant funds for the previously allocated \$200,000 of CHAP HOME grant funds will assist the City in complying with the CDBG expenditure requirement. This exchange of funding will not delay or reduce the rent assistance funding support being provided to our non-profit partner agencies at this time.

REMARKS: Staff recommends approval.

Submitted by:

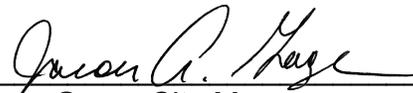


Bob Jones, Grants Administrator

Recommended by: Approved by:



Mary Lilly Smith, Director



Jason Gage, City Manager