



Committee: Directly to Council
Committee Review: N/A
Staff: Linda McMillan, Senior Legislative Analyst
Purpose: To introduce agenda item – no vote expected
Keywords: COVID-19; CDBG; ESG

AGENDA ITEM #0.5
May 11, 2020
Introduction

SUBJECT

Special Appropriation to the Fiscal Year 2020 Operating Budget; Montgomery County Government; Department of Housing and Community Affairs (DHCA); COVID-19 Response: \$4,393,899 for CDBG-CV and ESG-CV HUD CPD Funding (Source of Funds: General Fund Reserves). Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Introduction. Public hearing and action are scheduled for May 14, 2020 at 1:30 p.m.

DESCRIPTION/ISSUE

The COVID-19 public health crisis has closed non-essential businesses leaving many county residents with no or significantly reduced income and facing extreme financial hardship. The Federal Government has awarded additional Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funding in response to the emergency as a part of the CARES Act.

SUMMARY OF KEY DISCUSSION POINTS

- The County Executive recommends that the CDBG funding (\$2,955,102) be used to provide rental assistance to low-income County residents and small business assistance to low-income owners of micro-enterprises, and the ESG funding (\$1,438,797) for temporary shelter and rapid re-housing assistance to people experiencing homelessness because of the current public health emergency.

Attached:

CE memo and Special Appropriation Resolution

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County
Executive

MEMORANDUM

May 7, 2020

TO: Sidney Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Appropriation #20-466 to the FY20 Operating Budget
Montgomery County Government
Department of Housing and Community Affairs
COVID-19 Response: CDBG-CV and ESG-CV HUD CPD Funding, \$4,393,899

The Department of Housing and Community Affairs administers three federal Community Planning and Development (CPD) grants funded through the Department of Housing and Urban Development (HUD). Through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, HUD is providing the County with \$4,393,899 in funding through two such CPD grants, including the Community Development Block Grant COVID-19 (CDBG-CV) funded at \$2,955,102, and Emergency Solution Grant COVID-19 (ESG-CV) funded at \$1,438,797. HUD requires that this funding be utilized to reduce the negative impact of COVID-19.

This funding will be utilized to provide financial support for County residents and businesses currently facing hardships resulting from the COVID-19 crisis. Specifically, funds will be used to provide rental assistance to low-income county residents, small business assistance to low-income owners of micro-enterprises, and temporary shelter and rapid rehousing to reduce the growing numbers of people experiencing homelessness due to the effects of the COVID-19 emergency.

I recommend that the County Council approve this special appropriation in the amount of \$4,393,899 and specify the source of funds as Grant Fund. This special appropriation does not impact General Fund Reserves.

I appreciate your prompt consideration of this action.

ME:an

Attachment: Special Appropriation #20-466

cc: Lisa Mandel-Trupp, Chief of Staff to the Council President
Aseem K. Nigam, Director, Department of Housing and Community Affairs
Richard S. Madaleno, Director, Office of Management and Budget

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Special Appropriation #20-466 to the Fiscal Year 2020 Operating Budget
Montgomery County Government
Department of Housing and Community Affairs (DHCA)
COVID-19 Response: CDBG-CV and ESG-CV HUD CPD Funding
\$4,393,899 (Source of Funds: Federal Grants)

Background

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. The Department of Housing and Community Affairs administers three federal Community Planning and Development (CPD) grants funded through the Department of Housing and Urban Development (HUD). Through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, HUD is providing the County with \$4,393,899 in funding through two such CPD grants, including the Community Development Block Grant COVID-19 (CDBG-CV) funded at \$2,955,102, and Emergency Solution Grant COVID-19 (ESG-CV) funded at \$1,438,797. HUD requires that this funding be utilized to reduce the negative impact of COVID-19.
3. This funding will be utilized to provide financial support for County residents and businesses currently facing hardships resulting from the COVID-19 crisis. Specifically, funds will be used to provide rental assistance to low-income county residents, small business assistance to low-income owners of micro-enterprises, and temporary shelter and rapid rehousing to reduce the growing numbers of people experiencing homelessness due to the effects of the COVID-19 emergency.
4. Notice of a public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

A special appropriation to the FY20 Operating Budget of the Montgomery County Government, in the amount of \$4,393,899 is approved as follows:

	<u>Personnel Services</u>	<u>Operating Expense</u>	<u>Total</u>	<u>Source of Funds</u>
Department of Housing and Community Affairs	\$0	\$4,393,899	\$4,393,899	Federal Grants

This special appropriation must be used for rental assistance for County residents, support for the emergency homeless system, and businesses facing financial hardship because of the COVID-19 health crisis.

This appropriation is needed to in response to a public health emergency and to act without delay in the public interest.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council