Montgomery County Council

Committee: Directly to Council
Committee Review: N/A
Staff: Linda McMillan, Senior Legislative Analyst
Purpose: To receive testimony/final action - vote expected
Keywords: COVID-19; CDBG; ESG

AGENDA ITEM #7
May 14, 2020
Public Hearing/Action

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: Federal Grants). Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

Aseem K. Nigam, Director, Department of Housing and Community Affairs (DHCA)

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Public hearing and action. Introduced on May 11, 2020.

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

- CBDG for Rental Assistance ($1,955,102) - Rental assistance funds will be administered by the Housing Opportunities Commission (HOC). It will be eligible to low-income households as defined by the U.S. Department of Housing and Urban Development (HUD) for high-income areas, which is about 63% of area median income, or about $79,600 for a family of four. Households will be limited to $500 per month for a maximum of three months. HOC will have a centralized, easy to use place on their website for households to apply.
- CDBG for Micro-enterprises ($1,000,000) – The Department of Housing and Community Affairs will work with other county departments and staff to administer a grant program similar to the Public Health Emergency Grants (PHEG) but with a more streamlined application process. The owner's household must be low- income (same definition as above). The business must have five or fewer employees, a CDBG definition. The assistance will be a grant that is intended to help micro-businesses stay in business. This is different from the county's micro-loan program which is intended to start and grow small businesses.
- ESG ($1,438,797) – These funds will be used to support the emergency homeless system to address costs associated with the COVID-19 public health crisis.

Attached:

CE memo and Special Appropriation Resolution © 1-3

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OFFICE OF THE COUNTY EXECUTIVE

Marc Eirich
County Executive

ME:\1ORANDUM

May 7. 2020

TO: Sidney Katz, President, County Cow1cil

FR0\,1: \.-fare Eirich, County Executive

SUBJECT: Special Appropriation :i+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 Depu-tment of Housing and Community Affairs administers three federal Community Planning and Development (CPD) grants fonded through the Department of Housing and Urban Development (IIUD). Through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, HCD is providing the Cow1ty with $4.393,899 in funding through two such CPD grams, 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 S 1,438,797. HUD requires that this funding be utilized to reduce the negative impact of COV!D-19.

This fonding will be utilized to provide financial support for County residents and businesses cun-ently 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 specity the source o/' t'unds as Grant Fund. This special appropriation docs not impact General Fund Reserves.

I appreciate your prompt consideration of this action.

ME:an

Attachment: Special Appropriation #20-466

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

Resolution No.: _____
Introduced: May 11, 2020
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:

	Personnel Services	Operating Expense	Total	Source of Funds
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