



A RESOLUTION AMENDING ALBANY'S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM YEAR 2019 ACTION PLAN AS ADOPTED BY RESOLUTION NO. 6805

WHEREAS, the City of Albany is entitled to annual Community Development Block Grant (CDBG) funding provided by the U.S. Department of Housing and Urban Development (HUD) to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for low- and moderate-income persons; and

WHEREAS, the City adopted the 2019 Action Plan by Resolution No. 6805 on June 12, 2019, which describes the activities and programs to be delivered to address priority needs and goals identified in the City's five-year 2018-2022 Consolidated Plan; and

WHEREAS, the City was awarded a supplemental CDBG allocation of \$220,804 from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to prevent and respond to the novel coronavirus (COVID-19); and

WHEREAS, the City proposes to allocate the CARES Act funding is to provide emergency assistance to residents and businesses impacted by COVID-19, and to enable the City to respond to COVID-19 needs, and

WHEREAS, the adopted 2019 Action Plan anticipated a proposal to purchase a specific property for affordable housing; and

WHEREAS, a specific property has not been identified and the demand for emergency support for businesses impacted by COVID-19 is greater; and

WHEREAS, HUD approved a waiver of flexibility to allow a reduced comment and notice period on substantial amendments as part of the CARES Act to allow entitlement communities to respond quickly to address impacts of COVID-19; and

WHEREAS, the City held a 10-day comment period on the proposed amendments to the 2019 Action Plan; and

WHEREAS, the Albany Community Development Commission held a public meeting regarding the proposed amendments to the 2019 Action Plan on April 20, 2020, and the Albany City Council held a public hearing on April 22, 2020, on the amendments, and all comments were accepted.

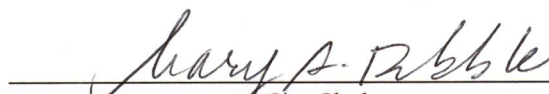
NOW, THEREFORE, BE IT RESOLVED that the Albany City Council hereby amends the 2019 Action Plan adopted by Resolution No. 6805 as described and attached hereto as "Exhibit A."

DATED AND EFFECTIVE THIS 22ND DAY OF APRIL 2020.



Mayor

ATTEST:



City Clerk





CITY OF ALBANY

2019 ACTION PLAN SUBSTANTIAL AMENDMENT #1

SUMMARY OF AMENDMENTS:

- A. **Coronavirus Aid, Relief, and Economic Security (CARES) Act Award** – Add CARES CDBG award and allocation to the 2019 Action Plan.
- B. **2019 Carryover Funds** – Reallocate undistributed 2019 program funds totaling \$89,311 to emergency small business loans.

PURPOSE OF PROPOSED AMENDMENTS:

A. CARES Act Award

The City of Albany will receive \$220,804 in Community Development Block Grant (CDBG) funding from the Federal CARES Act to help prevent, prepare for, and respond to the impacts of the coronavirus on individuals, families, and businesses. The City proposes adding CARES Act funding to the City's 2019 allocation and Plan.

The City proposes to allocate CARES funds to address economic and housing market disruptions to help Albany's small and independent businesses stay afloat during the pandemic and to keep residents housed. A small portion of the funds are proposed for emergency supplies and response.

Emergency Small Business Loan Program – allocate ~~\$110,000~~ **\$90,000** to the Albany Emergency Business Loan program. The City proposes to partner with Community LendingWorks to provide low-interest loans to Albany businesses with 40 or fewer employees impacted by COVID-19 that retain at least one full-time “low-mod” job. (A job qualifies as a low-mod if it does not require special skills that can only be acquired with substantial training or work experience, or education beyond a high school education.)

Emergency Housing Assistance – allocate \$105,000 to the Emergency Housing Assistance program for Albany households earning less than 80 percent of area median income, whose income is impacted by COVID-19. The program is managed by the Community Services Consortium.

Emergency Supplies and Response – allocate **\$20,000 to emergency food boxes** and \$5,804 for emergency supplies and response needs. The City of Albany would use funds to support emergency needs and purchase emergency supplies to prevent and respond to COVID-19 within the City.

B. 2019 Carryover Funds

The 2019 Action Plan allocated \$89,311 in CDBG funding to creating affordable housing opportunities through property acquisition. The City received an application for these funds in the 2020 request for submittals; however, because the applicant is early in project planning and fundraising, the Community Development Commission does

not recommend awarding CDBG funds to the project at this time. The Commission recommends reallocating the \$89,311 to the Emergency Small Business Loan Program to provide emergency relief to help businesses impacted by the pandemic retain jobs.

PLAN AMENDMENTS:

Proposed amendments are shown using red underline and ~~strikeout~~ formatting. Text in red underline font indicates new text. Text with ~~strike-out~~ formatting indicates text to be deleted. **Only applicable 2019 Action Plan sections are shown.**

AP-20 Annual Goals and Objectives

Staff Comments: Due to the CARES Act funding and the need to provide emergency support due to the coronavirus pandemic, the City proposes to reorder and modify the 2019 Action Plan goals and objectives. The Community Development Commission recommends \$20,000 CARES Act funding move from Economic Development to providing food boxes. Proposed changes are shown in **yellow highlight**.

	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
<u>1</u>	<u>Prevent and Respond to COVID-19</u>	<u>2019</u>	<u>2022</u>	<u>Non-Homeless Homeless Economic Development</u>	<u>Citywide</u>	<u>Keep residents safely housed</u> <u>Retain jobs, sustain businesses</u> <u>Provide critical supplies and services</u>	<u>\$105,000</u> <u>\$90,000</u> <u>\$25,804</u>	<u>Low/Moderate Income Households assisted: 100</u> <u>Jobs created/retained: 9</u> <u>Businesses assisted: 10</u>
2 <u>5</u>	Create Economic Opportunities	2018	2022	Economic Development	Citywide	Enhance economic opportunities for LMI residents <u>and retain jobs</u>	\$38,000 <u>\$89,311</u>	Jobs created/retained: 3 <u>13</u> jobs Businesses assisted: <u>513</u> Other: 10 (residents)
3	Reduce and prevent homelessness	2018	2022	Homeless	Census Tracts 204, 208.1	Reduce Homelessness	CDBG: \$36,500	Homeless Person Overnight Shelter: 400 Persons Assisted
4	Provide needed public services	2018	2022	Homeless Non-Homeless Special Needs Fair housing	Census Tracts 204, 205, 208.1, 208.2	Reduce Homelessness Help non-homeless residents with special needs	CDBG: \$20,500	Public service activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted
2 <u>5</u>	Preserve affordable housing	2018	2022	Affordable Housing	Census Tracts 204, 205, 208.01, 208.2	Improve Existing Affordable Housing	CDBG: \$120,000	Homeowner Housing Rehabilitated: 3 Household Housing Unit
<u>1</u>	<u>Create affordable housing opportunities</u>	<u>2018</u>	<u>2022</u>	<u>Affordable Housing Homeless Non-Homeless Special Needs</u>	<u>Census Tract 204, 205, 208.1 208.2</u>	<u>Increase affordable housing opportunities</u>	<u>CDBG: \$89,311</u>	<u>Rental units constructed: 6</u> <u>Household Housing Unit Buildings Demolished: 1</u> <u>Buildings</u>

Goal Descriptions

The proposed goals respond to community needs identified during the 2018-2022 Consolidated Plan outreach

process and in the development of the 2019 Action Plan.

Staff comments: Original 2018 Plan goal #1 is being replaced with the goal below to respond to needs and impacts caused by the coronavirus pandemic.

1	Goal Name	<u>Prevent and Respond to COVID-19</u>
	Goal Description	<u>Prevent, prepare for, and respond to the impacts of the coronavirus on individuals, families, and businesses.</u>

AP-35 Projects – 91.220(d)

#	Project Name
1	2019 Affordable Housing
2	2019 Youth Shelter Services
3	2019 Emergency Shelter Operations
4	2019 Homeless Employment Coordinator <u>Emergency Housing Assistance</u>
5	2019 Child Abuse Prevention Program
6	2019 Food and Furniture Distribution
7	2019 Senior Companion Program
8	2019 Microenterprise Assistance
9	2019 <u>Small Business Microenterprise Development and Support</u>
10	2019 Program Administration and Fair Housing Planning

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

CARES Act Funds: The City proposes to allocate CARES Act CDBG-CV funds to agencies that distribute food boxes, to the Albany Emergency Small Business Loan program, up to three months of emergency housing assistance (with the public services cap waived), and a small amount to program administration for emergency supplies and response needs.

2019 Year Program Funds: The Community Development Commission (CDC) evaluated performance of existing programs, assessed community needs through agency consultations and public surveys, and reviewed applications for all programs to determine allocation priorities for program year 2019. The CDC evaluated proposals against priority needs, existing resources and programs, gaps in service delivery, financial resources, and organizational capacity. -Another evaluation criterion is funding programs that provide the greatest need to Albany’s homeless and low- and extremely low-income residents.

Due to the economic impacts of the coronavirus, undistributed funds of \$89,311 will be allocated to the Albany Emergency Small Business Loan program to help businesses remain afloat, retain jobs, recover, and add back jobs.

~~The CDC recommended combining some of the remaining 2018 CDBG funds and new 2019 funds to create a larger pot of funds for affordable housing. The city anticipates requesting proposals from the public and publicly supported housing agencies for projects that construct as many housing units and leverage as much other funding as possible.~~

The statutory 15 percent cap for public services and lack of funding in general present obstacles to addressing

some of the community’s greater needs, especially around reducing homelessness and creating more affordable housing. There is greater need than funding for critical public service activities to reduce homelessness and serve vulnerable residents, and to increase the supply of permanent supportive housing and affordable housing within the community.

AP-38 Projects Summary Information

The City proposes to modify the existing projects to address changing need and incorporate the CARES Act funding.

Staff Comments: 2019 Project #4 will be replaced with Emergency Housing Assistance, and projects #1, #6, and #9 are being modified to address changing priorities.

1	Project Name	2019 Affordable Housing
	Target Area	Low-Mod Census Tracts: 204, 205, 208.01, 208.02
	Goals Supported	Create affordable housing opportunities Preserve affordable housing
	Needs Addressed	Increase affordable housing opportunities Improve Existing Affordable Housing
	Funding	CDBG: \$209,311 <u>\$120,000</u>
	Description	The affordable housing project will provide funds to increase and improve the supply of affordable housing for low- and moderate-income residents. The first activity will support property acquisition, clearance, demolition or infrastructure needs to create new affordable housing. The second activity will preserve and improve existing affordable housing by continuing the homeowner housing rehabilitation program, <u>which has a waiting list.</u>
	Target Date	6/30/2021 <u>0</u>
	Number and type of families that will benefit from the proposed activities	1. Real Property Acquisition, Clearance or Development. The city anticipates at least one household will benefit from property acquisition or clearance. 2. Housing Rehabilitation. Three LMI households will benefit from this activity.
	Location Description	Blighted and vacant properties are being evaluated in <u>Most houses needing repair are located in Albany’s low-mod Target Area Census Tracts.</u>
Planned Activities	1. Acquire, clear or improve one property to create new affordable housing. 2. Willamette Neighborhood Housing Services will manage the housing rehabilitation program that provides a <u>No-interest deferred loans to low-mod homeowners for housing rehabilitation and energy efficiency improvements.</u>	
4	Project Name	<u>Emergency Housing Assistance</u>
	Target Area	<u>Citywide</u>
	Goals Supported	<u>Prevent and Respond to COVID-19</u>
	Needs Addressed	<u>Prevent homelessness, help low-mod residents at risk of eviction, retain jobs and businesses, help businesses recover from impacts of COVID-19</u>
	Funding	<u>\$105,000</u>

	Description	<u>Emergency housing assistance to pay monthly rent or mortgages</u>
	Target Date	<u>6/30/2021</u>
	Number and type of families that will benefit from the proposed activities	<u>30 low-mod households</u>
	Planned Activities	<u>Up to 3 months of emergency housing assistance to households earning less than 80 percent of Albany area median income.</u>
6	Project Name	2019 Food and Furniture Distribution
	Target Area	Citywide
	Goals Supported	Provide needed public services; <u>Prevent and Respond to COVID-19</u>
	Needs Addressed	Help non-homeless residents with special needs
	Funding	CDBG: \$9,000 <u>\$29,000</u>
	Description	This activity <u>will</u> provide: <u>1. Emergency food boxes to households during the novel coronavirus pandemic;</u> 1-2. <u>Healthy food and lightly used furniture to extremely low-income residents and poverty-level families. The goal of the program is to increase the stability and health of poverty-level individuals and families.</u>
	Target Date	6/30/20 20 <u>21</u>
	Number and type of families that will benefit from the proposed activities	This activity is estimated to benefit 500 unduplicated extremely-low income Albany residents
	Location Description	This service is provided Citywide; however, most residents are living in poverty and live in one of the four city Target Areas.
	Planned Activities	2019 Food and Furniture Distribution
9	Project Name	2019 Small Business Development <u>and Support</u>
	Target Area	Citywide
	Goals Supported	Create economic opportunities; <u>Prevent and Respond to COVID-19</u>
	Needs Addressed	Enhance economic opportunities for LMI residents; <u>retain jobs and businesses, help businesses recover from impacts of COVID-19</u>
	Funding	CDBG: \$18,000 <u>\$197,311</u> (\$90,000 CARES Act, <u>\$89,311</u> reallocated)
	Description	<u>1. The Linn Benton Community College (LBCC) Small Business Development Center (SBDC) will provides training and technical assistance to Albany entrepreneurs, microenterprises and small businesses. (\$18,000)</u> 1-2. <u>Emergency Small Business Loan Program - \$179,311 to help small businesses with 40 or fewer employees impacted by COVID-19.</u>
	Target Date	6/30/20 20 <u>21</u>

Number and type of families that will benefit from the proposed activities	It is estimated that 20 resident entrepreneurs, microenterprises or small businesses will take courses, or receive one-on-one business advising services, <u>and/or receive an emergency loan. The outcome is retained or created jobs.</u>
Location Description	<u>Citywide and</u> Linn Benton Community College, 6500 Pacific Boulevard SW, Albany, OR 97321
Planned Activities	Provide low and moderate income eligible Albany <u>residents and businesses with residents that are entrepreneurs or business owners with business-free or low cost</u> courses, advising, and technical assistance, <u>or emergency grants</u> to support business growth and create <u>or retain low-mod jobs for LMI residents.</u>

AP-55 Affordable Housing – 91.220(g)

Introduction

In this section of the Plan, HUD asks jurisdictions to indicate the number of households that will be assisted with an affordable housing program such as rental assistance, housing rehabilitation, or new housing.

~~The city is allocating \$89,311 in 2020 for the development of affordable housing projects, which will be combined with a 2018 carryover balance of \$103,000. Generally, it takes a couple of years for affordable housing projects to produce housing units ready for occupancy.~~

The City will allocate a portion of CARES Act funding to provide emergency housing assistance. It is estimated that 20 low-mod households will retain housing through this assistance and prevent homelessness and the spread of the coronavirus.

The Albany housing rehabilitation program will help improve the quality and livability of Albany’s existing affordable housing stock of at least three owner-occupied households. Prior year resources will continue the down payment assistance programs to promote home ownership in 2020, with the anticipation of serving two households.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	<u>26</u>
Special-Needs	0
Total	<u>26</u>

Table 1 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	<u>20</u>
The Production of New Units	0
Rehab of Existing Units	4
Acquisition of Existing Units	2
Total	<u>26</u>

Table 2 - One Year Goals for Affordable Housing by Support Type

Discussion

The City of Albany is committed to helping address the needs of homeless, extremely low, low- and moderate-income (LMI) residents obtain affordable housing. -CDBG funds will help shelter providers provide services and case management to help residents get into permanent housing. CARES Act funds will help to prevent homelessness through emergency rental assistance.

2018 and 2019 CDBG funds will support the home-owner housing rehabilitation loan program, which is anticipated to serve four (4) LMI households. Carryover 2017 CDBG funds will provide homebuyer assistance to at least two LMI households in 2019.