

Program Update

Collin County CARES

Emergency Housing and Living Assistance
(EHLA) Update and Proposed Use of
Funds Community Development Block
Grant CARES CDBG-CV Funding

City of McKinney TX

Housing & Community Development Department

November 3, 2020



CARES Act Funding

- ▶ Authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, signed by President on March 27, 2020, to respond to the growing effects of this historic public health crisis.
- ▶ This emergency funding is designed to provide immediate resources to communities to respond to the effects of COVID-19
- This funding was distributed through various federal agencies for different purposes
- The City of McKinney received CARES Act Funding through the Treasury Department (via Collin County) and through HUD (CDBG-CV) funding



Collin County CARES FUNDING (Treasury Department)

Collin County received \$171,453,156.40 in CARES Act funding. The Commissioners Court provided:

- \$3M for COVID-19 testing for uninsured individuals
- \$5M for personal protective equipment (PPE)
- \$20M for EHLA Program. Housing (rent and mortgage), utilities, and food assistance
- \$5M to help re-stock local food pantries
- \$50M to cities to reimburse direct COVID-19 costs
- \$40M for County COVID-19 costs
- \$25M for Small Business Grants
- The remainder in reserve



Collin County CARES FUNDING (Treasury Department)

- ▶ McKinney received \$4,794,177 to provide Emergency Housing and Living Assistance (EHLA) funding to residents whose incomes had decreased due to COVID-19
- McKinney received \$4,492,180 to provide grants to small businesses with fewer than 100 employees and less than \$5M in revenue.
- McKinney received \$5,606,168 for reimbursement of direct costs due to COVID-19.



CDBG-CV FUNDING (CARES Act)

- ▶ Also authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, signed by President on March 27, 2020, to respond to the growing effects of this historic public health crisis.
- ▶ This emergency funding is distributed through the Department of Housing and Urban Development (HUD) to provide immediate resources to communities to respond to the effects of COVID-19, principally to benefit low-to-moderate persons.
- ▶ Must align with CDBG program requirements and cost principles under 2 CFR 200.
- ▶ No duplication of benefits with other funding sources



HOW HUD DISTRIBUTED FUNDS

\$2 billion direct allocation, local governments through the regular program formula – 70% to entitlement communities. (all grantees that received a CDBG allocation in FY20 will receive this funding). **Round 1**

\$1 billion to States:

Based on a new formula (public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to the national average, economic and housing market disruptions, and other factors determined by HUD). States will allocate the funds to entitlement/non entitlement communities as they determine. **Round 2**

\$2 billion to be allocated directly to states and local governments via a new formula to be developed by HUD (prioritizing risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruption resulting from coronavirus). Funds used to cover or reimburse allowable costs incurred by a state or locality regardless of the date on which the costs were incurred. Allocations made on a rolling basis. **Round 3**

McKINNEY
TOTAL CDBG-CV ALLOCATION
\$1,228,992



McKinney Funding Received

- "CARES" Act funding (R1): Reimburse costs of prevent, prepare for and respond to the coronavirus pandemic under basic needs. CDBG-eligible.

DIRECT EMERGENCY LIVING ASSISTANCE \$475,422

GRANT ADMINISTRATION \$25,022

Total: \$500,444

- "CARES" Act funding (R3): Reimburse costs of preventing, preparing for and responding to the coronavirus pandemic under basic needs. CDBG-eligible.

DIRECT EMERGENCY LIVING ASSISTANCE \$718,548

TELE-HEALTH PROGRAM: \$10,000 (INCLUDES TESTING)

Total: \$ 728,548



Sister Cities – CARES CDGB-CV Funding

The Cities of Allen, Frisco and Plano also received CARES Act CDBG-CV Funding:

- Allen received \$672,286 in CARES CDBG-CV grant funds. Funding programmed for mortgage/rent and utility assistance.
- Frisco received \$1,009,587 in CARES CDBG-CV grant funds. Frisco has not programmed their funds yet as Frisco residents are not experiencing as great of a need for housing and living assistance
- Plano received \$2,235,861 in CARES CDBG-CV grant funds. Funding programmed for mortgage/rent and utility assistance.



HUD CARES Act Funding must be used to meet one of CDBG National Objectives:

- principally benefit low- and moderate-income persons, defined as families and individuals whose household incomes do not exceed 80% of a jurisdiction's median income
- aid in the prevention or elimination of slums or blight
- meet an urgent need by addressing conditions that pose a serious and immediate threat to the health and safety of residents



80% Area Income Limits (AMI)

Dallas TX HUD Metro FMR (COLLIN CO.)	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
\$ 86,200 Median Family Income Limit								
Extremely Low 30% and under	\$18,100 30%	\$20,700 30%	\$23,300 30%	\$26,200 30%	\$30,680 30%	\$35,160 30%	\$39,640 30%	\$44,120 30%
Very Low 50%	\$30,200 50%	\$34,500 50%	\$38,800 50%	\$43,100 50%	\$46,550 50%	\$50,000 50%	\$53,450 50%	\$56,900 50%
Low/Moderate 80%	\$48,300 80%	\$55,200 80%	\$62,100 80%	\$68,950 80%	\$74,500 80%	\$80,000 80%	\$85,500 80%	\$91,050 80%

Source: [HUD FY 2020 Income Limits, HUDUSER.GOV](https://www.huduser.gov/portal/publications/2020/IncomeLimits2020.pdf)



Minimum Program Design - Residents

- *Program to assist with rental, mortgage, utility assistance*
- *Water will not be included*
- *Seeking HUD guidance on min. broadband assistance (telehealth, virtual learners due to COVID-19)*
- *Applicants must provide proof of income that aligns with HUD guidelines, LMI 0-80%*
- *Proof of McKinney residency*
- *Certification experienced hardship, income disruption due to COVID-19*
- *Applicant must certify they have not received other state, local or federal assistance (No duplication of benefits)*
- *Direct payments to landlords or utility*



HUD CARES ACT Funding: Reporting and Timeliness

- *70% of funding must benefit LMI households or persons*
- *Must expend 80% of funds within 3 years of grant*
- *Annual Reporting - Performance will be provided in annual CAPER to Council & Public (at end of program year)*

- *Quarterly Reports - Finance Dept. to HUD*
- *Monthly Reports - Agencies report to City; Reimburse Monthly*
- *Outreach - City newsletters, agencies, community organizations, social media, etc.*

HUD CARES Act Funding: Council and Citizen Participation Proposed Timeline

August 4	Council approved CDBG-CV Funding, Allocation 1 (\$500,444) and CDBG Annual Action Plan Allocation
August 18	Council approves Consolidated Plan, with allocations
September	Council approves all city budgets
Oct 25- Nov 2	Public Comment Period, CDBG-CV Funding, Allocation #2
Nov 3	Public Hearing, CDBG-CV R3 Allocation (Substantial Amendment)
Nov 10	Public Hearing, Budget Amendment
Nov 6-13	Agency Application Period
Nov 16-20	Public Comment Period – <i>Proposed Agencies</i>
Dec 1	Public Hearing, Proposed Agencies
Dec 2-15	Submittal to HUD
Dec 2-31	Program Prep, Agencies
Jan 2021	Program Begins



Opportunity to Care for McKinney Questions?

