

DEDO ORDINANCE/RESOLUTION REQUEST

Date of Request: 8/16/21

Please mark one: Bill Request or Resolution Request

1. Type of Request:

Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment

Dedication/Vacation Appropriation/Supplemental DRMC Change

Other:

2. Title: Approves a grant agreement (revenue contract) for Denver Economic Development & Opportunity (DEDO) to receive \$6,821,276 in Community Development Block Grant (CDBG) funds from the U.S. Department of Housing & Urban Development (HUD) for the 2021 program year. DEDO utilizes these annual entitlement funds from HUD to provide funding for services and projects supporting neighborhood and business development programs.

3. Requesting Agency: Denver Economic Development & Opportunity (DEDO)

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Dan Fechter 720-920-926-2997 (m)	Name: Susan Liehe 720-480-3481 (m)
Email: dan.fechter@denvergov.org	Email: susan.liehe@denvergov.org

5. General a text description or background of the proposed request, if not included as an executive summary.
See Executive Summary

6. City Attorney assigned to this request (if applicable): Brian Martin

7. City Council District: All

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Grant agreement

Vendor/Contractor Name: U.S. Department of Housing & Urban Development (HUD)

Contract control number: OEDEV-202159333

Location: Citywide

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):
Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> <i>(A)</i>	<i>Additional Funds</i> <i>(B)</i>	<i>Total Contract Amount</i> <i>(A+B)</i>
\$6,740,253		\$6,740,253

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
January 1, 2021 - December 31, 2021		

Scope of work:

To execute FY 2021 grant agreement for U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) program:

AMOUNT: \$6,740,253

Was this contractor selected by competitive process? n/a

Has this contractor provided these services to the City before? Yes No

Source of funds: Community Development Block Grant, authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; [42 U.S.C.-530.1](#) et seq.

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, DEN concession contracts): N/A

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

The federal Community Development Block Grant (CDBG) program was enacted in 1974 to provide block grant funding for community development. CDBG assists urban, suburban, and rural communities to improve housing and living conditions and expand economic opportunities for low- and moderate-income persons.

Counties use the flexibility of CDBG funds to collaborate with private and nonprofit sector partners to develop and upgrade local housing, water, infrastructure and human services programs. CDBG also helps to create jobs through the expansion and retention of businesses and is an important tool for helping local governments tackle serious challenges facing their communities. Counties rely on CDBG allocation to meet critical community development needs.

Nationwide, CDBG provides annual grants on a formula basis to nearly 1,200 metro and county governments in addition to states.

Across the country, these “local entitlement cities and counties” receive about 70 percent of CDBG funds, and states receive the remaining 30 percent. HUD determines the amount of each grant by using a formula including community need, poverty rates, population growth or lag measured in relationship to other metro areas, and housing issues, including the age of housing stock.

Here in Denver, CDBG funds are administered through Denver Economic Development & Opportunity (DEDO) for various neighborhood development projects such as public facilities or community improvements, and also gap financing for small businesses, while the city Department of Housing Stability (HOST) administers CDBG funds for affordable housing-related projects and programs (using grants under HOME, HOPWA, and ESG). For program funding, each agency issues a Notice of Fund Availability (NOFA), conducts pre-proposal briefings, reviews proposals, and announces the awardees, typically on an annual basis.

NOFA applications are evaluated and scored by DEDO and HOST staff, other city agency staff, and community members. Community reviewers are chosen based on their knowledge and experience in the program areas (housing, neighborhood development, and business development). Awardees are selected based on their ability to achieve measurable outcomes supporting Mayor Hancock’s priorities as well as the city’s strategic plans for housing, community, and business investments. Evaluation criteria also scores each applicant’s project plan, organizational capacity, financial capacity, and prior performance when applicable.

CDBG funds also help leverage many programs and projects funded by city sources. The majority of development projects are funded through loans, helping to generate future program income from these loans for the city’s reinvestment into additional projects and programs.

NOTE: In 2020, Denver also received two additional emergency HUD grants, CDBG-CV, totalling \$8,108,028, with the CV referring to uses limited to the effects of the COVID economic crisis.

This resolution request refers to the city’s routine annual CDBG allotment for 2021.

While Denver’s 2021 routine CDBG grant is approximately the same size as 2020—it is \$81,023 less --CDBG allocations to Denver over the last decade have decreased more than 30%. Here is the summary:

Program	Program Year	Grant Amount
CDBG	2009	\$8,961,951
CDBG	2010	\$9,613,417
CDBG	2011	\$7,939,513
CDBG	2012	\$6,957,695
CDBG	2013	\$7,170,263
CDBG	2014	\$6,859,983
CDBG	2015	\$6,687,320
CDBG	2016	\$6,531,090
CDBG	2017	\$6,602,257
CDBG	2018	\$6,859,369
CDBG	2019	\$6,796,880
CDBG	2020	\$6,821,276
(CDBG-CV)	(2020)	(\$8,108,028)
CDBG	2021	\$6,740,253