



Legislation Text

File #: 19-0827, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 8-12-19

Requesting Agency: Office of Economic Development
Division:

Subject Matter Expert Name:

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving and providing for the execution of a proposed Grant Agreement between the City and County of Denver and the United States of America Department of Housing and Urban Development concerning the "Community Development Block Grant FY19" program and the funding therefor.

Approves a grant agreement with the U.S. Department of Housing & Urban Development (HUD) for the 2019 allocation of \$6,796,880 through the Community Development Block Grant (CDBG) program to improve housing and living conditions and expand economic opportunities for low- and moderate-income persons (OEDEV-201951390). The last regularly scheduled Council meeting within the 30-day review period is on 9-23-19. The Committee approved filing this item at its meeting on 8-21-19.

Affected Council District(s) or citywide? Citywide

Contract Control Number: OEDEV-201951390

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

Type and Scope of services to be performed:

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, through the Office of Economic Development (OED) issuance of a NOFA (Notice of Funding Availability), this grant is awarded locally to a wide range of both housing as well as neighborhood services programs. Additional funding is invested in housing development projects, neighborhood development projects such as public facilities or community improvements, and as gap financing for small businesses.

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

Denver’s awarded projects are funded through a variety of federal community development programs, including not just CDBG but also HOME Investment Partnerships and Housing Opportunities for Persons with AIDS (HOPWA) entitlement grants. These 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 OED’s reinvestment into additional projects and programs.

The FY 2019 resolution funded CDBG nationally at \$3.295 billion, which is substantially the same amount awarded under the FY 2018 resolution (\$3.3 billion). However, consistent budget reductions over the past decade nationwide, combined with indications from the current administration to decrease allocations or eliminate some programs entirely, are creating anxiety for grantees about funding availability in future program years.

CDBG allocations to Denver have decreased 24.2% since 2009. Here is the ten-year summary

of Denver's CDBG allocations:

Program	Program Year	Authorized Amount
CDBG	2009	\$8,961,951.00
CDBG	2010	\$9,613,417.00
CDBG	2011	\$7,939,513.00
CDBG	2012	\$6,957,695.00
CDBG	2013	\$7,170,263.00
CDBG	2014	\$6,859,983.00
CDBG	2015	\$6,687,320.00
CDBG	2016	\$6,531,090.00
CDBG	2017	\$6,602,257.00
CDBG	2018	\$6,859,369.00
CDBG	2019	\$6,796,880.00

* NOTE: OED is in transition to become Denver Economic Development & Opportunity, or DEDO, upon the execution of an Executive Order this fall. Also in transition is the creation of a new city entity, the Department of Housing Stability (HOST). However, for the purposes of the 2019 funding contracts from HUD currently being executed for CDBG, HOME, and HOPWA, the receiving entity contractually is OED.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract: FY 2019

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term: \$6,796,880

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)