

M E M O R A N D U M

November 25, 2020

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: Special Appropriation to the Fiscal Year 2021 Operating Budget; Montgomery County Government; Department of Housing and Community Affairs (DHCA); COVID-19 Response: CDBG-CV HUD CPD Funding; \$4,227,565 (Source of Funds: Grant Funds).

PURPOSE: Worksession; vote/recommendation expected

Expected for this session:

Aseem Nigam, Director, Department of Housing and Community Affairs (DHCA)
Frank Demarais, Deputy Director, DHCA
Pofen Salem, Office of Management and Budget

Note: This special appropriation was introduced at the November 17, 2020 Council session. It is scheduled for a public hearing and action on December 1, 2020. While the PHED Committee is being asked to vote on a recommendation at this session, it can reconvene if any information is raised at the public hearing that requires reconsideration.

The COVID-19 public health crisis has resulted in the total or partial loss of income for many households. The pandemic has also resulted in an increase in the number of homeless individuals accessing emergency shelter. Emergency shelter costs have increased because of the need to provide appropriate distancing and other measures to protect health and prevent the spread of COVID-19. Montgomery County has received additional federal CARES Act Community Development Block Grant-CV (CDBG-CV) funds that can be used for financial/rent assistance and/or emergency shelter support for people facing hardships because of the COVID-19 health crisis. These funds do not have the same December 30, 2020 deadline for spending that applies to other CARES Act funds.

Council staff recommends approval.



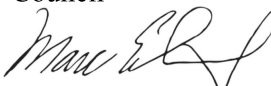
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

November 12, 2020

TO: Sidney Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Appropriation #21-500 to the FY21 Operating Budget
Montgomery County Government
Department of Housing and Community Affairs
COVID-19 Response: Additional CDBG-CV HUD CPD Funding, \$4,227,565

The Department of Housing and Community Affairs administers three Federal Community Planning and Development (CPD) grants funded by 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 additional funding through the Community Development Block Grant COVID-19 (CDBG-CV) at \$4,227,565. HUD previously provided the County with Emergency Solution Grant COVID-19 (ESG-CV) at \$4,847,976. Prior to that, HUD provided the County with \$4,393,899 through two 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.

This funding will be utilized to provide support for County residents facing housing hardships resulting from the COVID-19 crisis. It is anticipated that funds will be used to provide rental assistance to low-income county residents and temporary shelter 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 \$4,227,565 and specify the source of funds as Grant Funds. This special appropriation does not impact General Fund Reserves.

I appreciate your prompt consideration of this action.

ME:an

Attachment: Special Appropriation #21-500

c: Lisa Mandel-Trupp, Chief of Staff to the Council President
Richard S. Madaleno, Chief Administrative Officer
Aseem K. Nigam, Director, Department of Housing and Community Affairs

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead sponsor: Council President at the request of the County Executive

SUBJECT: Special Appropriation #21-500 to the Fiscal Year 2021 Operating Budget
Montgomery County Government
Department of Housing and Community Affairs (DHCA)
COVID-19 Response: CDBG-CV HUD CPD Funding
\$4,227,565 (Source of Funds: Grant Funds)

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. A new coronavirus disease, named COVID-19, appeared in China in December 2019 and spread extremely quickly. On March 11, 2020 the World Health Organization declared the disease a pandemic. The March 20, 2020 situation report from the World Health Organization stated that the number of confirmed cases worldwide has exceeded 200,000. It took over three months to reach the first 100,000 confirmed cases, and only 12 days to reach the next 100,000. As of November 10, 2020, there were over 10.2 million confirmed cases in the United States, including 156,000 confirmed cases in Maryland, of which 27,587 were in Montgomery County.
3. To slow the spread of the disease, Governor Hogan declared a State of Emergency and has issued several Executive Orders with actions that include, but are not limited to, closing schools, closing senior centers and adult medical day care programs, closing all non-essential businesses and limiting the number of people that can gather.
4. This public health crisis has resulted in the immediate loss of income for many households as businesses have been required to close and people have been told to stay home. This creates a financial crisis for many County residents and businesses.

5. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress with overwhelming, bipartisan support and signed into law by President Trump on March 27, 2020. This over \$2 trillion economic relief package delivers on the Trump Administration’s commitment to protecting the American people from the public health and economic impacts of COVID-19.
6. The Department of Housing and Community Affairs administers Community Planning and Development (CPD) Grants through the federal Department of Housing and Urban Development and received additional CARES Act funding for the CDBG-CV Program in the amount of \$4,227,565 to provide financial assistance and emergency shelter support for County residents currently facing hardships resulting from the COVID-19 crisis.
7. Public notice of the special appropriation 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 FY21 Operating Budget of the Montgomery County Government, in the amount of \$4,227,565 is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>TOTAL</u>	<u>Source of Funds</u>
\$0	\$4,227,565	\$4,227,565	Federal Grants

This special appropriation must be used for financial assistance and emergency shelter support to County residents facing financial hardship because of the COVID-19 health crisis.

This appropriation is needed 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