



AGENDA MEMORANDUM

Action Item for the City Council Meeting December 20, 2022

DATE: December 20, 2022

TO: Peter Zaroni, City Manager

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**Resolution Authorizing a Substantial Amendment to the
FY2020/PY2019 Consolidated Annual Action Plan
Reducing Emergency Solutions Grant – COVID Funds to \$2,134,128.54 and awarding
\$1,144,611.54 to The Salvation Army for Housing Opportunities Construction**

CAPTION:

Resolution authorizing a Substantial Amendment to the City of Corpus Christi's FY2020/PY2019 Consolidated Annual Action Plan for U.S. Department of Housing and Urban Development funds reducing the Emergency Solutions Grant COVID allocation from \$2,667,276 by \$533,147.46 to \$2,134,128.54; allocating \$1,144,611.54 to The Salvation Army for construction of temporary housing; authorizing the execution of all necessary documents to submit the Substantial Amendment; and further authorizing the execution of all documents necessary to implement the Substantial Amendment.

SUMMARY:

This resolution a Substantial Amendment to the City of Corpus Christi's FY2020/PY2019 Consolidated Annual Action Plan (CAAP for U.S. Department of Housing and Urban Development (HUD) funds reducing the Emergency Solutions Grant COVID (ESG-CV) allocation from \$2,667,276 by \$533,147.46 to \$2,134,128.54; allocating \$1,144,611.54 to The Salvation Army (TSA) for construction of housing opportunities; authorizing the execution of all necessary documents to submit the Substantial Amendment; and further authorizing the execution of all documents necessary to implement the Substantial Amendment. Funds are required to be expended on completed projects by September 30, 2023 and will increase TSA's overnight capacity by 120 beds to prevent, prepare for, and respond to COVID. This is the first of two phases to address the issue of homelessness within the City. The second phase has been a City Council initiative championed by the Mayor and involves low-barrier shelters.

BACKGROUND AND FINDINGS:

The City received a total of \$2,667,276 from HUD's ESG-CV program. The funds were awarded to the City in two tranches. On April 21, 2020, Ordinance 032088 was adopted amending the FY2020/PY2019 CAAP adding the first ESG-CV tranche of \$803,100. On March 2, 2021, Ordinance 032371 was adopted amending the FY2020/PY2019 CAAP adding the second ESG-CV tranche of \$1,864,176. These funds were allocated to Corpus Christi Hope House for rent and utility assistance (\$401,550), TSA for rent and utility assistance (\$401,550), Housing Opportunities Construction (\$1,677,759) and administrative costs (\$186,417). Fifty percent of all funds received were to be expended by June 16, 2022. At the deadline, the City was 30.01 percent expended. The City was notified by HUD in July 2022 that it had recaptured \$533,147.46 based on the percentage of unspent funding.

TSA is proposing to construct a non-congregate shelter at their 12,500 square foot vacant gymnasium building with ventilation upgrades to improve air circulation; generator installation; plumbing upgrades to expand restroom capacity; partitions; costs associated with the purchase of a mobile canteen to provide meals to gymnasium clients; kitchenware, supplies, equipment, and food - items used in the preparation, serving, and storage of meals for both the gymnasium shelter and street outreach to assist homelessness or those at risk of homelessness. The gymnasium will have dedicated partitions installed for personal space areas set up to include beds, furnishings and supplies according to space needed for homeless individuals or families. Partition spacing will be installed to meet the COVID spacing requirements. The gymnasium will also have a dedicated quarantine area for COVID positive cases. Clients at the gymnasium will have access to TSA support services; case management; COVID testing; COVID treatment medication; medical appointment transportation; and opportunity to bridge into transition to permanent support service programming. All of these construction activities qualify for ESG-CV funding because they prevent, prepare and respond to COVID by providing 120 non-congregate beds for persons who are homeless.

TSA serves over 10,000 cases of individuals, families, and Veterans who are homeless or at risk of homelessness. These cases included providing food, shelter, rental assistance, and supportive services. TSA has 123 beds for families with children and singles. TSA also has 12 beds for Veterans. The Center of Hope Dining Room is a full-service commercial kitchen and dining room that provides three meals each day free of charge to homeless men, women, and children staying in the shelter. In the last Program Year TSA provided 35,916 nights of shelter.

ALTERNATIVES:

City Council could choose not to authorize the Substantial Amendment which may risk the expenditure of the funds resulting in a loss of available resources for community projects.

FISCAL IMPACT:

City Council accepted and appropriated the federal grant funds with Ordinance 032088 and 032371. This amendment reduces the available funding from ESG-CV by \$533,147.46.

Funding Detail:

Fund:	CDBG Grants (1059)
Mission Elem:	Revitalize & Stabilize Neighborhoods (132)
Project # (CIP Only):	N/A
Account:	Professional Services (530000)
Activity:	Housing Opportunities Construction (619004F)

RECOMMENDATION:

Staff recommends authorizing the Substantial Amendment to the City of Corpus Christi's FY2020/PY2019 CAAP reducing the ESG-CV allocation by \$533,147.46 to \$2,134,128.54 and awarding \$1,144,611.54 to TSA for the construction of housing opportunities.

LIST OF SUPPORTING DOCUMENTS:

Resolution