

AS AMENDED ON DECEMBER 21, 2020
ORDINANCE NO. 2641

AN ORDINANCE OF THE CITY OF SALISBURY TO AUTHORIZE THE MAYOR TO ENTER INTO A CONTRACT WITH THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT FOR THE PURPOSE OF ACCEPTING ADDITIONAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS ASSOCIATED WITH THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT IN THE AMOUNT OF ~~\$227,905 (CDBG-CV1) AND~~ \$244,747 (CDBG-CV3), AND TO APPROVE A BUDGET AMENDMENT TO THE ~~FY 2021~~ GRANT FUND TO APPROPRIATE THESE FUNDS FOR THE PROJECTS OUTLINED IN THE 2020 CDBG ACTION PLAN ~~CV1 and~~ CV3 AMENDMENTS.

WHEREAS, the Maryland State Office of the U.S. Department of Housing & Urban Development (HUD) has determined that the City of Salisbury qualifies as an entitlement community; and

WHEREAS, the City of Salisbury is, therefore, entitled to receive Community Development Block Grant (CDBG) funds directly from HUD upon HUD's approval of the City's annual Action Plan; and

WHEREAS, HUD has received a direct allocation of funds through the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, which made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds, to be awarded by HUD to States and entitlement communities; and

WHEREAS, the City of Salisbury has been awarded ~~CDBG-CV1 funding in the amount of \$227,905, and~~ CDBG-CV3 funding in the amount of \$244,747, ~~for a total CDBG-CV award amount of \$472,652; and~~

WHEREAS, the City of Salisbury must complete a separate amendment to the 2020 CDBG Action Plan for each CDBG-CV award amount received; and

WHEREAS, HUD has issued special regulatory waivers/alternative requirements for CDBG-CV funds to allow expenditure of funds in advance of the final approval Action Plan amendments when necessary to expedite or facilitate the use of grant funds to prevent, prepare for, and respond to the coronavirus; and

WHEREAS, the ~~CV1 2020 Action Plan amendment has been completed, submitted and approved by HUD, and the~~ CV3 2020 Action Plan amendment is currently underway; and

WHEREAS, § 7-29 of the Salisbury City Charter prohibits the City from entering into a contract that requires an expenditure not appropriated or authorized by the City Council; and

WHEREAS, appropriations necessary to execute the purpose of this grant must be made upon the recommendation of the Mayor and the approval of four-fifths of the Council of the City of Salisbury.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND, THAT Mayor Jacob R. Day is hereby authorized to enter into a grant agreement with the U.S. Department of Housing & Urban Development (HUD) to accept grant funds in the amount of ~~\$472,652.~~ \$244,747.

BE IT FURTHER ORDAINED that the City's ~~Fiscal Year 2021~~ Grant Fund Budget be and hereby is amended as follows:

- 1) Increase CDBG Revenue account
(12800-423300-XXXXX) by ~~\$472,652~~ \$244,747
- 2) Increase CDBG – Operating Expense account
(12800-546006-XXXXX) by ~~\$472,652~~ \$244,747


BE IT FURTHER ORDAINED that this Ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on this 14th day of December, 2020, and thereafter, a statement of the substance of the Ordinance having been published as required by law, was finally passed by the Council on the 21st day of December, 2020.

ATTEST:

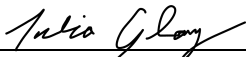


~~Kimberly R. Nichols~~ Diane K. Carter
Assistant City Clerk



John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS 29 day of December, 2020.



Julia Glanz, City Administrator
for and at the direction of Jacob R. Day, Mayor

Finance Department / HCDD

MEMO

To: Keith Cordrey

From: Deborah Stam

Subject: Ordinance – Budget Amendment – Acceptance / Appropriation of CARES Act CDBG Funding from HUD – CDBG-CV1 and CDBG-CV3 Awards for COVID-19 Projects

Date: December 7, 2020

In March 2020 the U.S. Department of Housing & Urban Development (HUD) received a direct allocation of funds through the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, which made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds, to be awarded by HUD to States and entitlement communities.

The City of Salisbury has been awarded two allocations of CDBG-CV funds to date – CDBG-CV1 funding in the amount of \$227,905, and CDBG-CV3 funding in the amount of \$244,747 – for a total CDBG-CV award amount of \$472,652.

The City is required to complete a separate amendment to the 2020 CDBG Action Plan for each CDBG-CV award amount received. However, due to the emergency conditions brought about by the COVID-19 public health crisis, HUD has issued special regulatory waivers / alternative requirements for CDBG-CV funds to allow for expenditure of funds in advance of the final approval of Action Plan amendments when necessary to expedite or facilitate the use of grant funds to prevent, prepare for, and respond to the coronavirus.

The CV1 2020 Action Plan amendment has been completed, submitted and approved by HUD, and those funds have been made available in the City's Line of Credit in IDIS. The CV3 funds have been allocated to the City as shown in the attached award letter from HUD, and the CV-3 2020 Action Plan amendment is currently underway. The expedited 5-day public comment period will be utilized for the CV-3 Action Plan amendment, as it was for the CV-1 amendment.

Attached is an Ordinance approving a budget amendment of the City's FY21 Grant Fund to appropriate the CDBG-CV1 and CDBG-CV3 funds that have been awarded to the City for the projects shown on the attached lists.

Please forward this information to the City Council to be placed on their agenda for first reading at the December 14, 2020 legislative meeting, and second reading / final passage at the December 21, 2020 Special Meeting scheduled to take place after the work session. Thank you for your assistance.



Deborah J. Stam
Grants Manager
Finance Department / HCDD

Attachments
CC: Olga Butar
Kim Nichols
Diane Carter
Kristine Devine

Funding Approval/Agreement

Title I of the Housing and Community Development Act (Public Law 930383)
 HI-00515R of 20515R

U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Community Development Block Grant Program

OMB Approval No. 2506-0193
 exp 5/31/2018

1. Name of Grantee (as shown in item 5 of Standard Form 424) Salisbury	3a. Grantee's 9-digit Tax ID Number 526000806	3b. Grantee's 9-digit DUNS Number 030321699
2. Grantee's Complete Address (as shown in item 5 of Standard Form 424) 125 North Division Street Salisbury, MD 21801-4940	4. Date use of funds may begin (mm/dd/yyyy)	
	5a. Project/Grant No. 1 B-20-MW-24-0015	6a. Amount Approved \$227,905
	5b. Project/Grant No. 2	6b. Amount Approved

Grant Agreement: This Grant Agreement between the Department of Housing and Urban Development (HUD) and the above named Grantee is made pursuant to the authority of Title I of the Housing and Community Development Act of 1974, as amended, (42 USC 5301 et seq.). The Grantee's submissions for Title I assistance, the HUD regulations at 24 CFR Part 570 (as now in effect and as may be amended from time to time), and this Funding Approval, including any special conditions, constitute part of the Agreement. Subject to the provisions of this Grant Agreement, HUD will make the funding assistance specified here available to the Grantee upon execution of the Agreement by the parties. The funding assistance specified in the Funding Approval may be used to pay costs incurred after the date specified in item 4 above provided the activities to which such costs are related are carried out in compliance with all applicable requirements. Pre-agreement costs may not be paid with funding assistance specified here unless they are authorized in HUD regulations or approved by waiver and listed in the special conditions to the Funding Approval. The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and actions, as specified and required in regulations issued by the Secretary pursuant to Section 104(g) of Title I and published in 24 CFR Part 58. The Grantee further acknowledges its responsibility for adherence to the Agreement by sub-recipient entities to which it makes funding assistance hereunder available.

U.S. Department of Housing and Urban Development (By Name) Charles Halm		Grantee Name (Contractual Organization) Salisbury (City Of Salisbury)	
Title CPD Director		Title Julia Glanz, City Administrator	
Signature <i>x Charles Halm</i>	Date (mm/dd/yyyy) 10/06/2020	Signature <i>x Julia Glanz</i>	Date (mm/dd/yyyy) 10/08/2020

7. Category of Title I Assistance for this Funding Action: Entitlement, Sec 106(b)	8. Special Conditions (check one) <input type="checkbox"/> None <input checked="" type="checkbox"/> Attached	9a. Date HUD Received Submission (mm/dd/yyyy)	10. check one <input checked="" type="checkbox"/> a. Orig. Funding Approval <input type="checkbox"/> b. Amendment Amendment Number
		9b. Date Grantee Notified (mm/dd/yyyy)	
9c. Date of Start of Program Year (07/01/2020)			
11. Amount of Community Development Block Grant			
		FY (2020)	
a. Funds Reserved for this Grantee		\$227,905	
b. Funds now being Approved			
c. Reservation to be Cancelled (11a minus 11b)			

12a. Amount of Loan Guarantee Commitment now being Approved N/A	12b. Name and complete Address of Public Agency City Of Salisbury 125 North Division Street Salisbury, MD 21801-4940
Loan Guarantee Acceptance Provisions for Designated Agencies: The public agency hereby accepts the Grant Agreement executed by the Department of Housing and Urban Development on the above date with respect to the above grant number(s) as Grantee designated to receive loan guarantee assistance, and agrees to comply with the terms and conditions of the Agreement, applicable regulations, and other requirements of HUD now or hereafter in effect, pertaining to the assistance provided it.	12c. Name of Authorized Official for Designated Public Agency
	Title
	Signature <i>x</i>

HUD Accounting use Only

Batch	TAC	Program	Y	A	Reg	Area	Document No.	Project Number	Category	Amount	Effective Date (mm/dd/yyyy)	F
	153											
	176											
			Y					Project Number		Amount		
			Y					Project Number		Amount		

Date Entered PAS (mm/dd/yyyy)	Date Entered LOCCS (mm/dd/yyyy)	Batch Number	Transaction Code	Entered By	Verified By
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Additional CDBG-CV Requirements

In addition to the terms and conditions in the Funding Approval/Agreement, the following requirements apply to Grantees receiving CDBG-CV funds in accordance with the Coronavirus Aid, Relief and Economic Security Act (CARES Act) (Pub. L. 116-136).

- 1) The Grantee agrees to comply with the requirements in the CARES Act that apply to CDBG-CV grants and must use the CDBG-CV grant funds to prevent, prepare for and respond to coronavirus.
- 2) The grantee agrees to comply with the requirements of the Housing and Community Development Act of 1974 (42 USC 5301 et seq.) and implementing regulations at 24 CFR part 570, as now in effect and as may be amended from time to time, and as modified by the rules, waivers and alternative requirements published by HUD from time to time. Rules, waivers and alternative requirements of Federal Register notices applicable to CDBG-CV grants are hereby incorporated into and made a part of the grant agreement.
- 3) The Grantee may use CDBG-CV funds as reimbursement for previously incurred costs, provided that those costs are allowable and consistent with the CARES Act's purpose to prevent, prepare for and respond to coronavirus.
- 4) The grantee agrees to establish and maintain adequate procedures to prevent any duplication of benefits as required by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 132 Stat. 3442).
- 5) The period of performance for the funding assistance specified in the Funding Approval/Agreement ("Funding Assistance") shall be six years. It shall begin on the date specified in item 4 in the Funding Approval/Agreement and shall end six years later, on the month and day specified in item 4. The Grantee shall not incur any obligations to be paid with the Funding Assistance after this period of performance.
- 6) The Recipient shall attach a schedule of its indirect cost rate(s) in the format set forth below to the executed Funding Approval/Agreement that is returned to HUD. The Recipient shall provide HUD with a revised schedule when any change is made to the rate(s) described in the schedule. The schedule and any revisions HUD receives from the Recipient shall be incorporated herein and made a part of this Funding Approval/Agreement, provided that the rate(s) described comply with 2 CFR part 200, subpart E.

Administering	Indirect cost rate	Direct
<u>Department/Agency</u>	<u>Indirect cost rate</u>	<u>Cost Base</u>
	de minimis	
Finance Dept. / HCDD	10 %	MTDC
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____

Instructions: The Recipient must identify each agency or department of the Recipient that will carry out activities under the grant, the indirect cost rate applicable to each department/agency (including if the de minimis rate is used per 2 CFR §200.414(f)), and the type of direct cost base to which the rate will be applied (for example, Modified Total Direct Costs (MTDC)). Do not include indirect cost rates for subrecipients.

- 7) In addition to the conditions contained in the Funding Approval/Agreement (form HUD 7082), the grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Dun and Bradstreet Data Universal Numbering System (DUNS); the System for Award Management (SAM.gov.); the Federal Funding Accountability and Transparency Act as provided in 2 CFR part 25, Universal Identifier and General Contractor Registration; and 2 CFR part 170, Reporting Subaward and Executive Compensation Information.

- 8) The grantee shall ensure that no CDBG-CV funds are used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For the purposes of this requirement, public use shall not be construed to include economic development that primarily benefits private entities. Any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfield as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Public Law 107-118) shall be considered a public use for purposes of eminent domain.

- 9) The Grantee or unit of general local government that directly or indirectly receives CDBG-CV funds may not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under title I of the Act.

- 10) E.O. 12372-Special Contract Condition - Notwithstanding any other provision of this agreement, no funds provided under this agreement may be obligated or expended for the planning or construction of water or sewer facilities until receipt of written notification from HUD of the release of funds on completion of the review procedures required under Executive Order (E.O.) 12372, Intergovernmental Review of Federal Programs, and HUD's implementing regulations at 24 CFR Part 52. The recipient shall also complete the review procedures required under E.O. 12372 and 24 CFR Part 52 and receive written notification from HUD of the release of funds before obligating or expending any funds provided under this agreement for any new or revised activity for the planning or construction of water or sewer facilities not previously reviewed under E.O. 12372 and implementing regulations.

- 11) CDBG-CV funds may not be provided to a for-profit entity pursuant to section 105(a)(17) of the Act unless such activity or project has been evaluated and selected in accordance with Appendix A to 24 CFR 570 - "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements." (Source – This condition is included as requirement on the use of fiscal year 2020 CDBG funds by the Community Development Fund heading, Department of Housing and Urban Development Appropriations Act, 2020, Public Law 116-94, and is made applicable to this grant by the CARES Act).

2020 CDBG-CV1 Project List / Funding Breakdown

General Administration (Subject to total Admin Cap of 20% -- this project amount = 1.71%)	\$3,905
City of Salisbury – Translation Services for Critical COVID-19 Information / Updates (Materials Printed in Other Languages and/or Sign Language Interpretation Services for Verbal Public Presentations) (Subject to total Admin Cap of 20% -- this project amount = 3.51%)	\$8,000
(Grand Total Admin = 5.22%)	
Salisbury Neighborhood Housing Services – COVID-19 Rental / Mortgage Assistance Program	\$105,000
City of Salisbury – COVID-19 PPE Production for Local Businesses (City will partner with M4Reactor to Design / Fabricate / Manufacture PPE Devices for Local Businesses – Acrylic shields for Work Areas, Face Shields, etc.)	\$87,000
City of Salisbury – COVID-19 Critical Need Supplies for Low-Mod Income Residents (Food / PPE / Sanitizer / Antibacterial Soap)	\$24,000
Total	<u>\$227,905</u>



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

September 11, 2020

The Honorable Jacob Day
Mayor of Salisbury
125 N Division Street
Room 304
Salisbury, MD 21801-4940

Dear Mayor Day:

I am pleased to inform you of a special allocation to your jurisdiction of Community Development Block Grant funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. Of this amount, the Department immediately allocated \$2 billion on March 27, 2020, the same day President Trump signed the Act, based on the fiscal year 2020 CDBG formula; this constituted the first round of CDBG-CV funds. Next, \$1 billion was required by the Act to be allocated to States and insular areas within 45 days of enactment of the Act; HUD accomplished this on May 11, 2020, and this constituted the second round of CDBG-CV funds. Finally, the remaining \$2 billion in CDBG-CV funds was required by the Act to be allocated to states and local governments at the discretion of the Secretary on a rolling basis; HUD accomplished this on September 11, 2020, and this constituted the third round of CDBG-CV funds. Additionally, up to \$10 million will be set aside for technical assistance.

Accordingly, this letter informs you that your jurisdiction's allocation for the third round is \$244,747. Your cumulative amount for all allocation rounds is \$472,652.

The CARES Act adds additional flexibility for both the CDBG-CV grant and, in some cases, for the annual FY2019 and FY2020 CDBG grants in these unprecedented times. The public comment period is reduced to not less than 5 days, grantees may use virtual public hearings when necessary for public health reasons, the public services cap is suspended during the emergency, and States and local governments may reimburse costs of eligible activities incurred for pandemic response regardless of the date.

In addition, the CARES Act authorizes the HUD Secretary to grant waivers and alternative requirements of statutes and regulations the HUD Secretary administers in connection with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative

requirements can be granted when necessary to expedite and facilitate the use of funds to prevent, prepare for, and respond to coronavirus.

The CDBG CARES Act Federal Register Notice (FR-6218-N-01) was released on August 10, 2020. The notice describes the allocations and grant procedures applicable to the CDBG-CV grants. It also describes the program flexibilities, waivers, and alternative requirements that apply to the CDBG-CV grants as well as the fiscal year 2019 and 2020 CDBG grants. As further such flexibilities become available, they will be posted on HUD's website and distributed to grantees. The Department will also support grantees with technical assistance.

As you develop your plan for the use of these grant funds, we encourage you to consider approaches that prioritize the unique needs of low- and moderate-income persons and the development of partnerships between all levels of government and the private for-profit and non-profit sectors. You should coordinate with state and local health authorities before undertaking any activity to support state or local pandemic response. CDBG-CV grants will be subject to oversight, reporting, and the requirement that each grantee have adequate procedures to prevent the duplication of benefits (DOB). HUD will provide guidance and technical assistance on DOB, the prevention of fraud, waste, and abuse, and on documenting the impact of this program for beneficiaries.

Reminder, all CPD Grantees must ensure they maintain active Dun and Bradstreet Numbering System (DUNS) numbers in the System for Award Management (SAM) system. Entities must have an active and unexpired DUNS before execution of grant agreements to avoid delays in the obligation of funds- which will delay your ability to drawdown funds in the Integrated Disbursement & Information System (IDIS). Grantees are required to maintain an active SAMs registration by re-activating their DUNS number annually in the SAM system for the entire drawdown period of their grants. DUNS numbers can be registered and renewed each year at the following website: <https://www.sam.gov/SAM/>.

The Office of Community Planning and Development (CPD) is looking forward to working with you to successfully meet the urgent and complex challenges faced by our communities. If you or any member of your staff has questions, please contact your local CPD Field Office Director or CPDQuestionsAnswered@hud.gov.

Sincerely,



John Gibbs
Acting Assistant Secretary
for Community Planning and Development
U.S. Department of Housing and Urban Development

2020 CDBG-CV3 Project List / Funding Breakdown

General Administration (Subject to total Admin Cap of 20% -- this project amount = .71%)	\$1,747
Salisbury Neighborhood Housing Services – COVID-19 Rental / Mortgage Assistance Program	\$200,000
City of Salisbury – COVID-19 Critical Need Supplies for Low-Mod Income Residents (Food / PPE / Hand Sanitizer / Antibacterial Soap, etc.)	\$43,000
Total	<u>\$244,747</u>