



# MEMORANDUM

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**To:** Mayor and Members of the City Council

**From:** Montrè Freeman, City Manager  
Alicia Steward, Finance Director  
Jon Hawley, Grants Administrator

**Date:** April 21, 2023

**Re:** Consideration - Hold a Public Hearing - Closeout of CDBG-CV Award (CVCC)

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***BACKGROUND:***

On December 4, 2020, the NC Department of Commerce, Rural Economic Development Division (REDD), announced the City of Elizabeth City had been awarded \$765,000 in Community Development Block Grant-Coronavirus funding to establish and implement the "Coronavirus Care Collaborative" (CVCC) Program. In operation since the spring of 2021, the CVCC was a collaboration with the Albemarle Area United Way, and later the River City Community Development Corporation, to provide short-term housing and utility payment assistance to qualifying households to prevent evictions or disconnections.

This February, our subrecipient organizations disbursed the final assistance available through this program, and we may now close out this grant. The City Council called for the necessary public hearing to close out the grant on April 10, 2023.

***ANALYSIS:***

CDBG-CV closeout documentation requires submission of approved minutes from the public hearing; therefore, a review of the CVCC is provided in the attached draft minutes. The minutes' text is based on the planned staff presentation; placeholder text, marked in red, will be corrected. (Full meeting minutes may be adopted separately at a later date, as normal.)

***AT THE CONCLUSION OF THE PUBLIC HEARING:***

***STAFF RECOMMENDATION:***

By motion, adopt the public hearing minutes, with any necessary corrections, and authorize appropriate signatures on all necessary closeout documentation.

**Draft Minutes, Closeout Public Hearing**  
**Community Development Block Grant-Coronavirus**  
**Award 20-V-3513**  
**Coronavirus Care Collaborative**

**April 24, 2023**  
**City of Elizabeth City**

The Elizabeth City City Council held a public hearing during its 7 p.m. regular session on April 24, 2023, in Council Chambers at 306 E. Colonial Ave., Elizabeth City, NC, for the purpose of discussing the closeout of a Community Development Block Grant-Coronavirus award. **Members present were: Mayor Kirk Rivers, Mayor Pro Tem Kem Spence, and Councilors Joe Peel, Johnson Biggs, Javis Gibbs, Rose Whitehurst, Katherine Felton, Johnnie Walton, and Barbara Baxter.**

Jon Hawley, Grants Administrator for the City, was present to provide a final review, discussion, and closeout of a North Carolina Department of Commerce Community Development Block Grant-Coronavirus Program award. Mr. Hawley said the award was for the Coronavirus Care Collaborative, and the grant award number is 20-V-3513.

He continued that the purpose of the public hearing was to obtain citizens' views and answer any questions they may pose. The public hearing must also cover the City of Elizabeth City's community development needs, and the development, performance, and final expenditures of the grant-funded activities, before the submission of the City's CDBG-CV closeout documentation to the state of the North Carolina.

Mr. Hawley said the purpose of the CDBG-CV Program is to help a non-entitlement community, meaning an incorporated municipality under 50,000 or a county under 200,000 in population, to prepare, prevent, or respond to the health and economic impacts of the Coronavirus Disease 2019 (COVID-19). The North Carolina Department of Commerce, Rural Economic Development Division, is administering these funds, and the division made available approximately \$27.5 million in grant funding. Applications were accepted starting September 1, 2020, on a first-come, first-served basis. The maximum grant award was \$900,000.

The CDBG-CV Program established the following funding priorities, classified by eligible activity types:

- **Public Service:** The priority in this category is subsistence payments to prevent evictions and utility disconnections. Food distribution, testing and diagnosis, and employment training for health care workers on the frontlines are also prioritized.
  
- **Public Facilities:** The priority in this category is broadband services and enhancing internet access that supports increased connectivity to schools, jobs, and healthcare. This category also includes building rehabilitation or improvements to support activities such as repurposing buildings into patient treatment centers.
  
- **Economic Development:** The priority in this category is to provide financial assistance to businesses with 100 or fewer employees, including microenterprises

with five or fewer employees. The focus is to support businesses that manufacture medical supplies, and to help small businesses impacted by COVID-19 create and retain jobs.

Mr. Hawley said the City of Elizabeth City sought CDBG-CV funds not to exceed \$765,000 for the Coronavirus Care Collaborative, or CVCC, in partnership with the Albemarle Area United Way, a 501(c)3 nonprofit organization that serves northeastern North Carolina, including Pasquotank County. The City and the AAUW proposed to serve approximately 400 qualifying low- to moderate-income households within Pasquotank County, and \$720,000 of our request was to provide a Public Service through housing and utility payment assistance of up to \$1,800 per household. He also said the request also included an allocation of \$45,000 for reimbursement of documented subrecipient administrative expenses.

Mr. Hawley said NC Commerce awarded funding on December 17, 2020. The CVCC began providing assistance on May 4, 2021, following the formal release of grant funds, and following the execution of a subrecipient agreement between the City and the Albemarle Area United Way on March 8, 2021. This agreement provided for the AAUW's performance of applicant intake and other administrative functions and compliance with all terms and conditions of CDBG-CV funding. Assistance was provided to LMI households as proposed in the City's original application, with the following exceptions:

- The City requested a Project Revision to raise the assistance cap per household from \$1,800 to \$5,000, and to revise the projected number of households assisted from 400 to 360. NC Commerce approved this Project Revision on October 15, 2021.
- The City requested Project Revisions to modify CVCC eligibility criteria to remove a requirement that applicants directly demonstrate COVID-19 impacts, and to add the River City Community Development Corporation as a program subrecipient; River City executed a subrecipient agreement with the City on September 27, 2022. NC Commerce approved these Project Revisions on October 24, 2022.

Mr. Hawley said the City also submitted a project amendment to NC Commerce in October of 2022 that proposed to reallocate grant funds for food distribution through the Food Bank of the Albemarle, but this amendment was not approved, resulting in no program change.

Mr. Hawley reported that the final grant expenditures for our project are \$763,248.11. Of this amount, \$720,000, or the full grant allocation, was expended for Public Service activities. For administration, \$43,248.11 was expended for documented administrative expenses of the subrecipients, with \$1,751.89 unencumbered. He added the City anticipates and accepts that NC Commerce will retain any unclaimed grant funds.

Mr. Hawley continued that the City further reports that all payment requests from subrecipients have been fully paid, and the City has submitted its final reimbursement request to NC Commerce.

Mr. Hawley said that, as stated earlier, the initially proposed scope of work for the CVCC called for 400 LMI households to receive housing and utility assistance; this number was

revised to 360. He reported that 389 LMI households received assistance, and a total of 100 percent of CDBG-CV funding was used to benefit LMI households.

Mr. Hawley said that, through this closeout public hearing, the City of Elizabeth City also confirms its compliance with federal and state regulations applicable to the CDBG-CV Program and its project activities. The City further confirms that no persons were displaced or required relocation assistance as a result of our CDBG-CV-funded activities, he added.

Mr. Hawley said that, in the past, the City has applied for and received funding for the following completed CDBG projects:

- 2012 Pearl and North Road Street water and sewer improvements
- 2014 Elizabeth City Middle School Renovations
- 2015 Road Street water and sewer improvements
- 2018 and 2019, Raw Water Transmission Main Replacement Project, Phases IIA and IIB

Mr. Hawley said the City will submit its closeout documentation to NC Commerce within one week of the public hearing, and that project documentation will be maintained for review during normal business hours at 302 E. Colonial Ave., Elizabeth City. He said additional information is available from the Grants Administrator in the Finance Department office, reachable at 302 East Colonial Avenue, or by phone or email at 252-621-7352 and [jhawley@elizabethcitync.gov](mailto:jhawley@elizabethcitync.gov), respectively. He said that, should anyone have any complaints or grievances regarding the subject public hearing, they should be addressed to the addressee mentioned above within 10 business days or by May 8, 2023, and a written response to the written complaints and/or grievances will be sent by the City within 10 business days, where practicable.

Mr. Hawley requested the floor be opened for comments and questions about the CDBG program, and about the completed project.

Mayor Rivers opened the public hearing at [TIME]. He was advised there were no speakers.

Councilor [SURNAME] moved to close the public hearing, seconded by [SURNAME]. Mayor Rivers called for further discussion; hearing none, he called for the vote. The Council voted unanimously to close the hearing. The hearing closed at [TIME].

Councilor [SURNAME] moved to approve draft public hearing minutes, with necessary corrections, and authorize appropriate signatures for other closeout documents. Councilor [SURNAME] seconded. Mayor Rivers called for further discussion; hearing none, he called for the vote. The motion was approved unanimously.

Following consideration of other, unrelated business, Mayor Rivers adjourned the meeting at [TIME].