



MEMORANDUM

To: Mayor and Members of the City Council

From: Montique McClary, Interim City Manager
Alicia Steward, Finance Director
Jon Hawley, Grants Administrator

Date: October 7, 2022

Re: Hold a Public Hearing - Further Discussion on Food Bank Support

BACKGROUND:

On December 4, 2020, the NC Department of Commerce, Rural Economic Development Division (REDD), awarded the City of Elizabeth City \$765,000 through the Community Development Block Grant-Coronavirus Program. This funding allowed the City to partner with the Albemarle Area United Way to offer the "Coronavirus Care Collaborative" (CVCC) Program. The CVCC offers rent and utility assistance to households that are: low-to-moderate-income (LMI), impacted by COVID-19, and at risk of disconnection or eviction.

As has been previously reported, the CVCC is successful but has disbursed less assistance than expected. The City must obligate all grant funds by March 17, 2023, and expend all funds by June 17, 2023. To avoid losing unspent grant dollars, City staff have explored ways to accelerate CDBG-CV drawdowns. Minor changes to our existing activity (the CVCC) require relatively simple "Project Revision Requests," while major changes such as adding a new activity require undergoing a formal (and more time-consuming) amendment process.

On August 8, 2022, City staff proposed pursuing an amendment to apply CDBG-CV dollars to enhanced food distribution through the Food Bank of the Albemarle. The City Council subsequently directed that nonprofits be more broadly solicited. Following a Request for Proposals, River City Community Development Corporation proposed to also provide rent and utility assistance. City staff pursued the River City and Food Bank proposals concurrently, including trying to determine a new, mutually acceptable funding level for the Food Bank's proposal. Recommendations were presented to the City Council during the September 26, 2022, work session and then carried to that evening's regular session. The Council voted to execute a subrecipient agreement with River City to allow it to also implement the CVCC; that agreement has been submitted to Commerce for review. The Council also approved calling for another public hearing for the Food Bank, but revised its funding levels following additional questions and comments from River City.

ANALYSIS:

The Food Bank has objected to the revised funding levels, citing the need for more food purchases than allotted. The Food Bank's executive director is anticipated to speak during the October 10, 2022, public hearing, so City staff will defer to them on their position. However, for clarity, here is a summary of how the amendment allocations have changed.

Initial Proposal for the Food Service Enhancement (FSE) Program (August 8, 2022)

CVCC funding capped at \$425,000

FSE, Purchase Delivery Van, Fuel Reimbursements: \$80,000

FSE, Refrigeration Equipment for Food Pantries: \$55,700

FSE, Bulk Food Purchases: \$204,300

Total FSE Funding: \$340,000

Revised Proposal for the FSE (September 26, 2022, Work Session)

CVCC funding capped at \$500,000

FSE, Purchase Delivery Van, Fuel Reimbursements: \$80,000

FSE, Refrigeration Equipment for Food Pantries: \$55,700

FSE, Bulk Food Purchases: \$129,300

Total FSE Funding: \$265,000

Revised Proposal for the FSE (September 26, 2022, Regular Session)

CVCC funding capped at \$535,000

FSE, Purchase Delivery Van, Fuel Reimbursements: \$80,000

FSE, Refrigeration Equipment for Food Pantries: \$55,700

FSE, Bulk Food Purchases: \$94,300

Total FSE Funding: \$230,000

The CDBG-CV amendment process requires holding a public hearing, and it requires publication of a detailed public hearing notice. Due to the possibility that FSE allocations may change further, City staff did not run that notice. That means the October 10, 2022, public hearing does not meet CDBG-CV requirements. Should the Council and the Food Bank reach consensus, a new public hearing will need to be called for October 24th.

AT THE CONCLUSION OF THE PUBLIC HEARING:

STAFF RECOMMENDATION:

Subject to final, acceptable funding levels being determined, call for new public hearing during the regular City Council meeting at 7:00 p.m. on October 24, 2022.