


MEMORANDUM

TO: Mayor Mark Freda and Members of Council

FROM: Marc Leckington, Leckington Advisors 

SUBJECT: Community Development Block Grant Program
Substantial Amendment to the 2020 Annual Action Plan
Adoption of 2021 Annual Action Plan

DATE: August 4, 2021

CC: Maureen Fullaway, Affordable Housing Manager

The purpose of this memo is to share the background and strategy behind the draft Substantial Amendment to the 2020 Annual Action Plan and the related resolutions proposed for adoption by Council on August 9, 2021:

- A resolution adopting an amendment to the 2020 Annual Action Plan; and
- A resolution adopting the draft 2021 Annual Action Plan.

As you know, Princeton submitted an Annual Action Plan for its first year of CDBG funding to the US Department of Housing and Urban Development (HUD) in September 2020. In addition to allocating \$242,948 in annual “entitlement funds,” the Plan also allocated \$333,924 in funding from the CARES Act for projects related to the COVID-19 pandemic. The CARES Act not only provided an additional one-time supplemental CDBG allocation (known as CDBG-CV), but it also waived various CDBG regulations to give entitlement communities a significant amount of flexibility in addressing the pandemic. Those same waivers were not extended to 2021 entitlement funds.

In preparing the 2021 Annual Action Plan for this year’s allocation of \$225,797, the Municipality identified a series of COVID-19 response projects to help low and moderate income families (i.e., utility assistance, day care, health screenings). Most of the projects are recognized by the CDBG program as “public services.” Entitlement communities are permitted to allocate up to fifteen percent (15%) of the annual allocation to public services. The proposed projects represented almost 75% of the allocation. However, the 15% limit on public service spending was waived by the CARES Act for Program Year 2020.

By exercising the Municipality’s right to substantially amend prior Plans, we can move these new public service projects into the 2020 Annual Action Plan and offset those funds by moving a 2020 project that was not related to the CARES Act (and does not take advantage of the waivers) into the 2021 Annual Action Plan. Detail on the revisions to the 2020 Plan can be found in Attachment A of the Substantial Amendment Resolution. An attachment to the 2021 Annual Action Plan resolution describes the 2021 budget.

I would be happy to be available during the August 9 Council meeting to discuss this further with Council and to answer any questions they might have.

**Resolution Authorizing the Submission of a Substantial Amendment
of the 2020 Community Development Block Grant Program Annual Action Plan**

WHEREAS, the Municipality of Princeton is qualified as a metropolitan city by the United States Department of Housing and Urban Development for Housing ("HUD"), and as such is entitled to apply for Community Development Block Grants funds pursuant to Title I of the Housing and Community Development Act of 1974; and

WHEREAS, the Municipality of Princeton was awarded \$242,948 in Community Development Block Grant Entitlement funds for Program Year 2020 and \$333,924 in CDBG-CV funding from the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act;

WHEREAS, HUD has approved the 2020 Annual Action Plan and provided the Municipality with grant agreements in the amounts of \$242,948 in Community Development Block Grant funds and \$333,924 in CDBG-CV funds;

WHEREAS, the Municipality of Princeton has prepared a Substantial Amendment to the 2020 Annual Action Plan to address new and emerging needs related to the COVID-19 pandemic as summarized in Attachment A;

WHEREAS, the draft Substantial Amendment was published on the municipal website and otherwise made available to the public for review and comment beginning on August 6, 2021 and concluding on August 9, 2021;

WHEREAS, a virtual public hearing was conducted to on August 9 at 4PM to solicit feedback and comments from the community; and

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE MUNICIPALITY OF PRINCETON the Mayor is authorized to submit a Substantial Amendment to the 2020 Community Development Block Grant Program Annual Action Plan to the U.S. Department of Housing and Urban Development and is authorized to sign all related Subrecipient and other agreements necessary to further the objectives of the 2020 Annual Action Plan.

Attachment A

Summary of Substantial Amendment to the 2020 Community Development Block Grant Annual Action Plan

Project	Program Year 2020 CDBG	CDBG-CV CARES Act	Proposed Amendment	Revised Program Year 2020 CDBG	Revised CDBG-CV CARES Act Budget	Comment
Princeton Housing Authority Capital Improvements	\$70,000	\$0	(\$70,000)	\$0	\$0	Project moved to 2021 Annual Action Plan
Administration	\$48,560	\$66,785	(\$61,345)	\$24,000	\$30,000	Excess Administration funds being used for projects
Utility Assistance for Low/Mod Households	\$0	\$0	+\$8,785	\$0	\$8,785	These new projects were identified by the Municipality to address COVID-impacts on the community
Day Care for Low/Mod Workers	\$0	\$0	+\$50,000	\$22,000	\$28,000	
Vision & Dental Checkups for Low/Mod Families	\$0	\$0	+\$42,560	\$42,560	\$0	
COVID Equipment and PPE	\$0	\$0	+\$30,000	\$0	\$30,000	