

City of New Haven, Connecticut
2020 CARES Act Funding
Substantial Amendment #2 to the 2019-2020 Consolidated Annual Action Plan
Non-Congregate Housing Acquisition and Rehabilitation
CDBG-CV3 CARES Act Funding

I. Executive Summary

A. Overview

This Substantial Amendment is an amendment to the 2019-2020 Consolidated Annual Action Plan for the fiscal year July 1, 2019 to June 30, 2020 in response to the usage and allocation of supplemental funding received by the City through the CARES Act.

In December 2019, a new coronavirus known as SARS-CoV-2 was first detected in Wuhan, China, causing outbreaks of the coronavirus disease COVID-19 that spread globally. The first case of COVID-19 was reported in the United States in January 2020. In March 2020, the World Health Organization (WHO) declared the coronavirus outbreak, COVID-19, a worldwide pandemic and President Trump declared the outbreak a national emergency. On March 13, 2020, the President declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to section 501 (b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the “Stafford Act”). Several weeks later, on March 27, 2020, in response to the Coronavirus/COVID19 pandemic, President Trump signed the Coronavirus Aid, Relief and Economic Security (CARES) Act, Public Law 116-136, to assist communities in addressing needs directly related to this public health crisis. The Act is intended to help Americans deal with the economic impact and health crisis brought on by the outbreak of COVID-19.

In accordance with the CARES Act, funds have been distributed to the City of New Haven under the Community Development Block Grant (CDBG) program, the Emergency Solutions Grant (ESG) program, and the Housing Opportunities for People with AIDS (HOPWA) program to assist individuals and families in the response to, prevention and spread of COVID-19 and to facilitate assistance to eligible individuals and households economically impacted by COVID-19.

Also, as part of the CARES Act, several waivers have been extended for use by communities and grant recipients that affect the citizen participation process as well as specific grant requirements for the above-mentioned grants. In response to these waivers, the City of New Haven has revised its Citizen Participation Plan as it relates to the Consolidated Planning process and has requested waivers to enable more flexible usage of the funds received. Copies of the revised Citizen Participation Plan and a summary of the waivers requested from HUD for each program can be found on the City's website.

B. Funding Availability

The City of New Haven received three (3) categories of funds (CDBG-CV, ESG-CV and HOPWA-CV) through the federal Office of Housing and Urban Development (HUD) in connection with the CARES Act. These supplemental allocations, received through the CARES Act funding distribution were distributed to the City in several phases or tranches as shown below:

1st Tranche

- \$2,236,393 in CDBG-CV funds,
- \$1,137,914 in ESG-CV funds and
- \$160,839 in HOPWA-CV funds

2nd Tranche

- \$1,509,315 in ESG-CV2

3rd Tranche

- \$1,316,331 in CDBG-CV3

The purpose of these funds is to directly address the COVID-19 pandemic and its impact on the community.

The City has allocated funding from the first two tranches and has prepared and submitted its amendment to the Consolidated Annual Action Plan for the 2019-2020 Program Year to HUD.

This amendment addresses the CDBG-CV3 funding received through the 3rd Tranche in the amount of \$1,316,331.

Of the funds received during the 3rd Tranche, the City proposes to allocate \$1,3316,331 to support a Non-Congregate Housing Acquisition and Rehabilitation to be used as COVID-Safe Emergency Shelter. These funds will be combined with the City's former allocation of \$500,000 in ESG-CV from Tranche 2 and funding from the State of Connecticut to support the project.

The use of the structure will be a deconcentrated or non-congregate COVID-safe shelter for the homeless. Post-pandemic, the ultimate goal of the project will be an increase in the stock of affordable housing in New Haven and having non-congregate shelter available if similar crises to the COVID Pandemic were to occur again.

II. Citizen Participation

In response to the COVID-19 Pandemic and as afforded under the waiver provisions of the CARES Act, the City of New Haven has amended its Citizen Participation Plan. The plan amendments promote and support "social distancing" while continuing to offer the public and interested stakeholders an opportunity to provide citizen input and feedback on the policies, planning procedures, and proposals developed by the City in a timely manner as they relate to the administration and implementation of its supplemental federal program resources. In accordance with the City's Amended Citizen Participation Plan, the following process was used to solicit citizen participation and input on the amendments and programmatic structure necessary to quickly and effectively administer federal funding made available in response to the COVID-19 Pandemic.

The **DRAFT Substantial Amendment to the 2019-2020 Consolidated Annual Action Plan for 3rd Tranche CARES Act Funding**, which included a description of and an allocation plan for the CDBG-CV3 CARES Act allocations, was posted on the City's website, along with a public notice identifying the availability of the amendment for public review and comment. The Notice included the opportunity to provide electronic comment for the required period of not less than five (5) days between August 4, 2021 – August 9, 2021. Information on participation in a "virtual public hearing" that was held on Thursday 29, 2021 was also posted. As part of the Notice, the City included information on how citizens who have special needs may obtain the Amendment in a form which is accessible to them.

The Public Notice was published in the New Haven Register and was provided for publication on the City website, the New Haven Independent, and La Voz.

Copies of the Notice were also emailed to all interested parties who are on the active Consolidated Planning mailing list, as well as the aldermanic representatives on each neighborhood/district, community stakeholders, and agencies and organizations actively responding to the COVID-19 Pandemic.

Comments received, either at the virtual public hearing or during the public comment period will be considered by the City before the final amended action plan is submitted to HUD. All comments received and responses to such comments will be included in the Citizen Participation Attachment.

The Draft Substantial Amendment, inclusive of a Proposed Allocation Plan for the CDBG-CV, funding received under the 33rd Tranche of the CARES Act, was provided to the Board of Alders(BOA) on Monday, August 2nd, 2021. The Amendment will be approved by the BOA prior to its formal submission to HUD.

III. Resources and Federal Requirements

A. Resources

In accordance with CARES Act requirements, federal CARES Act resources are being distributed to address community needs through the prevention of, preparation for, and direct response to the Coronavirus COVID-19.

This Amendment to the 2019-2020 Consolidated Annual Action Plan outlines the distribution and proposed usage of the supplemental CARES Act-COVID-19 (Tranche 3) funding the City of New Haven will receive for the Community Development Block Grant (CDBG-CV) program. Details on how the city will address the prevention, preparation, and response to the Coronavirus with the use of the 3rd Tranche CDBG-CV funding follow.

This Amendment to the 2019-2020 Consolidated Annual Action Plan provides the City's plan for expending the supplemental Tranche 3 CARES Act-COVID-19 funding for the following federal program received through the US Department of Housing and Urban Development (HUD).

- \$1,316,331 in CDBG-CV3

B. Activities

The City utilized a modified application process to analyze and distribute CARES Act funding to providers of services that directly respond to needs associated with COVID-19. Funds are distributed through several municipal departments tasked with programmatic oversight and implementation. Depending upon the scope of the services to be provided, funds will be processed through the Community Services Administration (CSA), the Economic Development Administration (ED), the Livable City Initiative (LCI), the Health Department and/or the Office of Emergency Management (OEM).

In accordance with the CARES Act, the 15% public services cap is not in effect for CDBG - CV grants nor is it in effect for FY 2019 and 2020 CDBG grant funds used for Coronavirus relief and prevention efforts.

C. Targeting

The supplemental CDBG-CV funding addressed in this plan will be utilized for the direct prevention of, preparation for and response to the COVID-19 pandemic, with a priority to assist low- and moderate income individuals and families; households who are at-risk of homelessness, homeless or receiving homeless assistance; and vulnerable or special needs populations such as the disabled, the elderly, persons living with HIV/AIDS, etc.

IV. Proposed Use of CARES Act Funding

A. Background

Except for a limited amount of funds for CDBG-related administrative expenses, the City will allocate the remainder of its funding to directly address COVID-19 related needs with a focus on low- and moderate-income benefit. The city must ensure that, at least 70% of its CDBG funds are used for activities that benefit low- and moderate-income persons.

All activities must meet one of the following national objectives for the CDBG program:

- 1) benefit low-and moderate-income persons;
- 2) prevention or elimination of slums or blight; or
- 3) urgent need, which encompasses community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community. *(A need is considered urgent if it is sudden and*

unexpected, has arisen in the past 18 months and no other funding is available to address it.)

In accordance with the CARES Act, the 15% public services cap is not in effect for CDBG - CV grants nor is it in effect for FY 2019 and 2020 CDBG grant funds used for Coronavirus relief and prevention efforts.

The range of activities that can be funded with the City's CDBG – CV allocation are detailed in the CDBG Quick Guide, which can be viewed at the HUD Exchange website.

<https://files.hudexchange.info/resources/documents/Quick-Guide-CDBG-Infectious-Disease-Response.pdf>

Similarly, HUD has provided guidance to the types of activities that can be funded with ESG-CV and HOPWA-CV funding which can be viewed at the HUD Exchange website.

<https://files.hudexchange.info/resources/documents/Eligible-ESG-Program-Costs-for-Infectious-Disease-Preparedness.pdf>

<https://www.hud.gov/sites/dfiles/OCHCO/documents/2020-05cpdn.pdf>

B. Proposed Allocation Plan

The City has developed a plan for allocating its CARES Act Funding. It should be noted that a duplication of programming or beneficiaries is forbidden under the regulations for funding expenditures. As such, the City was required to structure a plan that does not duplicate services or programs being offered by other entities such as FEMA, the State of Connecticut, the Department of Education, etc. with CARES Act funding. Furthermore, as required under the various regulations in place for the grant programs, the funds must principally benefit low- and moderate-income persons or households.

While the City cannot anticipate what other public or private funds may become available to support the Coronavirus COVID-19 crisis, the city will work to maximize and leverage all resources as they become available and to avoid duplication of benefit.

The City of New Haven Plan for utilizing its CARES Act funding under the CDBG-CV, ESG-CV and HOPWA-CV grant programs addressed eight (8) general categories of need. They include:

- 1) Rapid Re-Housing\ Homelessness Prevention
- 2) Emergency Shelter Assistance\ Assistance to Unsheltered
- 3) Public Health and Safety
- 4) Housing Assistance Program\Housing Stabilization

- 5) Economic Resiliency
- 6) Basic Needs
- 7) Support for At-Risk Populations
- 8) Program Administration\ Oversight

A description of the types of projects to be assisted and the proposed funding allocations by grant for the first two tranches of CARES Act funding is available as part of the 1st Substantial Amendment. Briefly described, these categories include the following:

Rapid Re-Housing\ Homelessness Prevention

Funds to be used to provide rapid re-housing and homeless prevention assistance to homeless households and households at-risk of becoming homeless due to the COVID-19 pandemic. Assist homeless households in moving to permanent housing situations. Support the provision of temporary housing to meet quarantine restrictions and isolation recommendations. Programs include, foreclosure prevention, rapid re-housing assistance; short term financial assistance; payment in arrears; assistance with utilities and rent to avoid eviction; and community re-entry programming.

Emergency Shelter Assistance\ Assistance to Unsheltered

Funds to be used to support operations and the provision of emergency shelters affected by COVID-19. Provide for maintaining a sanitary shelter environment to help keep staff and clients safe and healthy. Hiring of additional staff to support infectious disease preparedness. Provide cleaning supplies, protective equipment, equipment, room dividers and transportation. Provide street outreach activities that are designed to meet the immediate needs of unsheltered homeless. Provide referrals to emergency shelter, housing, and essential services. Providing mental health services, medical care, financial assistance, child care and transportation.

Public Health and Safety

Funds to be used to provide COVID19 testing, diagnosis, and management through the use of fixed or mobile testing sites; support contact tracing; and related expenses. Provide infrastructure improvements to facilities for testing, diagnosis, or treatment of COVID-19. Provide mental health support and services, child abuse and domestic violence support services and other health care needs associated with COVID19. Provide protective equipment, supplies, and materials. Improve access to WIFI in low\moderate income areas to support the dissemination of critical information and support community outreach efforts. Cover costs associated with operating an isolation facility including medical care and basic needs.

Housing Assistance Program\Housing Stabilization

Funds to be used to provide housing stabilization and supports to households at risk of foreclosure or eviction as a direct result of the COVID19 pandemic. Activities may include the provision of rental assistance after all other sources of assistance and forbearance have been exhausted, eviction mitigation services, emergency mortgage assistance, and foreclosure mitigation services and expansion of Legal Aid. *Funds can only be distributed through a HUD approved counseling organization.*

Economic Resiliency

Funds to be used to provide support and assistance to small businesses directly affected by COVID-19. Activities may include financial counseling, technical assistance and economic development assistance to support re-opening requirements and economic viability. Support workforce development, job training, education, and child care support activities for households directly affected by COVID-19 in need of support to re-enter the workforce.

Basic Needs

Funds may be used to support activities addressing food and non-food related basic needs of vulnerable and at-risk households or households directly affected by COVID 19.

Support for At-Risk Populations

Funds may be used to provide services to at-risk and re-entry populations including homeless prevention, permanent housing, rental assistance, food, medical care and other basic needs. HOPWA-CV funds have been allocated to support COVID-related needs for persons living with HIV/AIDS including accessing essential services and supplies such as food, water, medications, medical care, transportation services, lodging at hotels, motels, or other locations to quarantine HOPWA-eligible persons or their household members, short-term rent, mortgage, and utility (STRMU) assistance payments to prevent homelessness of a tenant or mortgagor for a period of up to 24 months.

Program Administration\ Oversight (Municipal Usage Only)

Funds will be used by the City to cover costs associated with preparing the substantial amendment for the proposed use of funds, program oversight, federal compliance documentation, monitoring and reporting to HUD. **Personnel costs should not reimburse for the general function of government per CDBG regulations. If tasks performed are part of one's typical job description, they shall not be reimbursed under this supplemental grant allocation.*

C. Proposed Usage of 3rd Tranche - CDBG-CV3 Funds

This amendment addresses the CDBG-CV3 funding received through the 3rd Tranche in the amount of \$1,316,331.

Of the funds received during the 3rd Tranche, the City proposes to allocate \$1,331,331 to support a Non-Congregate Housing Acquisition and Rehabilitation to be used as COVID-Safe Emergency Shelter. These funds will be combined with the City's former allocation of \$500,000 in ESG-CV from Tranche 2 and funding from the State of Connecticut to support the project.

The City, in collaboration with Columbus House, is seeking to purchase and rehab Non-Congregate Housing to be used as a COVID safe Emergency Shelter, with the ultimate goal of increasing the stock of affordable housing in New Haven post-pandemic. As of April 6, 2020 all of Columbus House's shelter and seasonal program clients were moved out of shelters and warming centers and into either the New Haven Village Suites or permanent housing. Moving clients into hotel rooms was advantageous in that it drastically reduces the chance of the virus spreading in congregate shelters and among people experiencing homelessness. As of now, Columbus House's shelter clients will remain at the New Haven Village Suites through at least the end of September 2021. Since the hotel is currently for sale, Columbus House is seeking to purchase the building, which already is already being used for 224 beds of COVID-safe shelter. Columbus House is working with the CT Department of Housing and the City of New Haven on funding opportunities. Also, since there is no renovations necessary the hotel would instantly become 224 COVID-safe shelter beds upon purchase. Ultimately, Columbus House plans to convert these shelter beds to permanent supportive housing units once the threat of COVID has passed.

In summary, the project is an opportunity to create non-congregate COVID- Safe Emergency Shelter Beds in New Haven. Use of the structure will be a deconcentrated or non-congregate COVID-safe shelter for the homeless. Post-pandemic, the ultimate goal of the project will be an increase in the stock of affordable housing in New Haven by providing permanent supportive housing and having non-congregate shelter available if similar crises to the COVID Pandemic were to occur again.

D. Next Steps

Should the City receive additional funding, or determine that additional eligible activities are necessary to meet changing needs caused by the continued expansion of COVID-19 as part of the national pandemic, additional activities will be considered, and will include all eligible activities as determined by HUD, in accordance with the most recent federal guidance.

E. Other Federal Requirements

The following federal legal requirements also apply to CARES Act programs: Davis Bacon, National Environmental Policies Act (including 24 CFR Part 58 Environmental Review Procedures), Relocation Act, and Fair Housing