

## **SUBSTANTIAL AMENDMENT**

### **City of Modesto**

#### **2019 Annual Action Plan**

#### **Substantial Amendment #4**

#### **City Council October 27, 2020:**

On March 27, 2020 the United States Congress passed the Coronavirus Aid, Relief, and Economic Security Act (H.R. 748). The bill provided \$5 billion for CDBG and \$4 billion for ESG to rapidly respond to COVID-19 and the economic, housing, and homelessness impacts caused by it.

The City of Modesto will receive \$1,267,503 in the HUD's third round of Community Development Block Grant – Coronavirus (CDBG-CV3) and \$3,350,962 in HUD's second round Emergency Solutions Grants – Coronavirus (ESG-CV2). A substantial Amendment to the FY 2019-2020 Annual Action Plan is required, and usually a 30-day public comment period is required; however, the U.S. Department of Housing and Urban Development (HUD) has waived this requirement provided that no less than five (5) days are provided for public comments on each substantial amendment. The City of Modesto has opted to allow for a twenty (20) day public comment period to allow for maximum community input and still respond to the community's COVID-19 needs in a timely manner.

The purpose of the Substantial Amendment is to reallocate, add, and define the following Eligible Uses caused by COVID-19:

#### **1. Economic Development**

**Funding:** Defund \$300,000 from the CARES Act - CDBG-CV1 Allocation

**Description:** Through the first round of CDBG-CV1 CARES Act funds, this program was designed to assist local business as a means to mitigate the effects of COVID-19 on local businesses by assisting in the retention and creation of full-time equivalent jobs for low to moderate income persons. Assistance was provided in the form of forgivable loans. At this time all eligible applicants have been awarded and unspent funds will be reallocated to eligible public service activities.

#### **2. Public Services**

**Funding:** \$300,000 From the CARES Act - CDBG-CV1 Allocation

\$414,003 From the CARES Act – CDBG-CV3 Allocation

**Description:** Funds are being allocated from the Small Business Assistance Program to this program. This program is to assist with public service activities affected by COVID-19 including but not limited to assisting public service providers

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that offer mortgage and rental assistance to individuals and families affected by COVID-19 as well as those willing to assist local youth with the struggles of distance learning. Through the creation of this program, an additional \$414,003 are being allocated from the CDBG-CV3 grant.

**National Objective:** Low/Mod Clients

**Citation:** 570.208 (a)(2)

**Matrix Code:** TBD

**Citation:** 24 CFR 570.201(e)

**Funding Source:** Community Development Block Grant – Coronavirus (CDBG-CV1 and CV3);

### 3. **Public Facility Acquisition**

**Funding:** \$600,000 From the CARES Act - CDBG-CV3 Allocation

**Description:** This includes \$25,000 for activity delivery funding. Recently, Modesto has had several congregate shelter outbreaks; in order to alleviate the strain on congregate shelters and existing respite centers, the City needs a non-congregate living space to provide relief to the existing facilities. Individuals currently housed in a congregate respite centers or emergency shelters are at high risk of exposure and spread of COVID-19.

**National Objective:** LMC: Low- to Moderate-Income Clientele

**Citation:** 570.201

**Matrix Code:** 03C

**Funding Source:** Community Development Block Grant –Coronavirus (CDBG-CV3);

### 4. **CDBG-CV Planning & Administration**

**Funding:** \$253,500 From the CARES Act - CDBG-CV3 Allocation

**Description:** This project will fund administrative expenses related to the planning and administration of CDBG-CV projects and activities including but not limited to development of HUD plans, contract development, project monitoring, and enforcement of federal regulations.

**National Objective:** N/A

**Citation:** 570.206

**Matrix Code:** 21A

**Funding Source:** Community Development Block Grant–Coronavirus (CDBG-CV3);

### 5. **Emergency Shelter Operations**

**Funding:** \$1,200,000 From the CARES Act - ESG-CV2 Allocation

**Description:** This activity includes \$120,000 for activity delivery funding. Individuals experiencing homelessness are at greater risk of exposure to a variety of infectious diseases including COVID-19. Taking effective sanitation measures can reduce the spread of COVID-19 for people who are unsheltered or living in emergency shelters. As a result, funding will be utilized for essential supplies and services to reduce the spread of COVID-19. This Emergency Shelter Project will include job training program that helps those sheltered to pursue gainful employment and housing in the community.

**National Objective:** N/A

**Citation:** 576.102

**Matrix Code:** N/A

**Funding Source:** Emergency Solutions Grants - Coronavirus (ESG-CV2);

**6. Homeless Prevention Rental Assistance**

**Funding:** \$465,866 From the CARES Act - ESG-CV2 Allocation

**Description:** This activity includes \$40,866 in activity delivery funding. The City will provide Homeless Prevention short-term rental assistance to those affected by COVID-19. The objective of the Homeless Prevention Rental Assistance project is to prevent homelessness by paying for rent, utilities, arrears, etc. This assistance will be in the form of a grant.

**National Objective:** Low- and Moderate-Income Individuals

**Citation:** 570.208 (a)(1)

**Matrix Code:** N/A

**Citation:** N/A

**Funding Source:** Emergency Solutions Grants - Coronavirus (ESG-CV2);

**7. Rapid Rehousing Rental Assistance**

**Funding:** \$550,000 From the CARES Act - ESG-CV2 Allocation

**Description:** This activity includes \$50,000 in activity delivery funding. The City will be providing awards through a local non-profit to provide rapid rehousing and ongoing case management for individuals that graduate from the job training program and move on to gainful employment. Removing vulnerable individuals from the congregate housing to stable permanent housing to prevent exposure to COVID-19.

**National Objective:** Low- and Moderate-Income Individuals

**Citation:** 570.208 (a)(1)

**Matrix Code:** N/A

**Citation:** N/A

**Funding Source:** Emergency Solutions Grants - Coronavirus (ESG-CV2);

**8. Street Outreach**

**Funding:** \$800,000 From the CARES Act - ESG-CV2 Allocation

**Description:** This activity includes \$50,000 in activity delivery funding. The City will be implementing a homeless street outreach program. This outreach program will focus on engagement with homeless individuals in encampments to build relationships and further connect with services to mitigate the risk of undocumented and untreated exposure to COVID-19.

**National Objective:** N/A

**Citation:** 576.101

**Matrix Code:** N/A

**Citation:** N/A

**Funding Source:** Emergency Solutions Grants - Coronavirus (ESG-CV2);

**9. ESG-CV Planning & Administration**

**Funding:** \$335,096 From the CARES Act – ESG-CV2 Allocation

**Description:** This project will fund administrative expenses related to the planning and administration of ESG-CV projects and activities including but not limited to development of HUD plans, contract development, project monitoring, and enforcement of federal regulations.

**Funding Source:** Emergency Solutions Grant–Coronavirus (ESG-CV2);