

SUBSTANTIAL AMENDMENT

City of Modesto

2019 Annual Action Plan

Substantial Amendment #3

City Council April 28, 2019:

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 \$1,118,269 in Community Development Block Grant – Coronavirus (CDBG-CV) and \$567,410 in Emergency Solutions Grants – Coronavirus (ESG-CV). 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 purpose of the Substantial Amendment is to reallocate, add, and define the following Eligible Uses caused by COVID-19:

1. Economic Development

Funding: \$800,000 From the CARES Act - CDBG-CV Allocation

Description: To assist local business in the retention and creation of full-time equivalent jobs for low to moderate income persons. Assistance will be provided in the form of grant, loan, and/or rebate. \$50,000 of the \$800,000 will be utilized for activity delivery costs. It is projected for the City to assist in the retention and/or creation of 22 low- to moderate-income full-time equivalent jobs.

Target Area: City-Wide

Goals Supported: CD-2 Promote Economic Development Activity

Needs Addressed: CD-2 Promote Economic Development Activity

Target Date: 06/30/2020

Estimated Number of Persons served: 22 low/mod income Full-Time Equivalent Jobs

Location Description: City-Wide

National Objective: Low/Mod Jobs

Citation: 570.208 (a)(4)

Matrix Code: 17D,18A

Citation: 24 CFR 570.203 (a), 24 CFR 570.203 (b)

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

Fiscal Year: 2019-20 funds
HUD ID #:

2. **Public Services**

Funding: \$94,615 From the CARES Act - CDBG-CV Allocation

Description: To assist public service activities affected by COVID-19; for example, assisting public service providers that offer job training, diagnosis, health services, equipment, and supplies for public services.

Target Area: City-Wide

Goals Supported: Services - Anti-Poverty

Needs Addressed: CD-3 Provide Public Services for Residents

Target Date: 06/30/2020

Estimated Number of Persons served: TBD

Location Description: City-Wide

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-CV);

Fiscal Year: 2019-20 funds

HUD ID #:

3. **CDBG-CV Planning & Administration**

Funding: \$223,653 From the CARES Act - CDBG-CV 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.

Target Area: N/A

Goals Supported: N/A

Needs Addressed: N/A

Target Date: 06/30/2020

Estimated Number of Persons served: N/A

Location Description: 1010 10th Street, Modesto, CA 95354

National Objective: N/A

Citation: 570.206

Matrix Code: 21A

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

Fiscal Year: 2019-20 funds

HUD ID #:

4. **Emergency Shelter Outreach**

Funding: \$250,000 From the CARES Act - ESG-CV Allocation

Description: 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 including providing hand

sanitizer, soap, portable handwashing stations, portable bathrooms, etc. This Emergency Shelter Outreach Project will also be utilized to provide street outreach - equipping staff with masks, disposable gloves, etc. and hire additional staff to support infectious disease preparedness.

Target Area: City-Wide

Goals Supported: HM-1 Address Chronic Homelessness

Needs Addressed: HM-5 Coordinated Case Management

Target Date: 06/30/2020

Estimated Number of Persons served: 500 low/mod income persons

Location Description: City-Wide

National Objective: Low- and Moderate-Income Individuals

Citation: 570.208 (a)(1)

Matrix Code: TBD

Citation: TBD

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

Fiscal Year: 2019-20 funds

HUD ID #:

5. Homeless Prevention Rental Assistance

Funding: \$220,000 From the CARES Act - ESG-CV Allocation

Description: 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.

Target Area: City-Wide

Goals Supported: Services – Anti-Poverty

Needs Addressed: HM-4 Prevent Homelessness for those At-risk & Rapid Rehousing

Target Date: 06/30/2020

Estimated Number of Persons served: 65 low/mod income persons

Location Description: City-Wide

National Objective: Low- and Moderate-Income Individuals

Citation: 570.208 (a)(1)

Matrix Code: TBD

Citation: TBD

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

Fiscal Year: 2019-20 funds

HUD ID #:

6. HMIS

Funding: \$40,669 From the CARES Act - ESG-CV Allocation

Description: To assist with updating the City's system and staff time associated with COVID-19 FEMA requirements.

Target Area: N/A

Goals Supported: N/A

Needs Addressed: N/A

Target Date: 06/30/2020

Estimated Number of Persons served: N/A

Location Description: 1010 10th Street, Modesto, CA 95354

National Objective: N/A

Citation: 570.107

Matrix Code: TBD

Citation: §58.34(a)(9); §58.34(a)(3); §58.35(b)(3); and §58.35(a)(5);

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

Fiscal Year: 2019-20 funds

HUD ID #:

In addition, for purposes of an expedited use of the CDBG-CV and ESG-CV the bill:

CDBG-CV

- Suspends the 15% cap on public services, including FY19 and FY20 CDBG funds;
- Eliminates in-person public hearings and allows grantees the option of holding virtual hearings;
- Allows HUD to waive further program requirements (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment); and,
- Allows grantees to be reimbursed for COVID-19 response activities regardless of the date the costs were incurred.

ESG-CV

- Allows recipients to deviate from regular procurement standards when procuring goods and services to prevent, prepare for, and respond to the coronavirus;
- Recipients can use up to 10 percent of the allocation for administrative purposes. In addition to the 10 percent for admin, these funds can be used to provide hazard pay, including for time worked prior to the date of this bill, for staff working directly to prevent, prepare for, and respond to coronavirus among the homeless or persons at-risk of homelessness;
- The funds are not subject to the Citizen Participation requirements;
- No match requirement;
- No cap on emergency shelter activities;
- Funds can be used to provide temporary shelters (through leasing of existing property, temporary structures, or other means) to prevent, prepare for, and respond to the coronavirus; and,
- Environmental review standards will no apply to these funds.