



# First Substantial Amendment to the 2020-2021 Annual Action Plan

City of Lima, Ohio

November, 2020

# First Substantial Amendment to the City of Lima 2020-2021 Annual Action Plan

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## First Substantial Amendment to the City of Lima 2020-2021 Annual Action Plan

### A. General Information

This document serves as notification of a Substantial Amendment to the 2020-2021 Annual Action Plan for the City of Lima, Ohio. The document describes the proposed change to add CDBG-CV funds, and explains how these changes meet the existing Consolidated Plan goals.

Grantee Name:	City of Lima, Ohio
Department Administering Funds:	Community Development
Name/Title of Contact Person:	Susan Crotty, Community Development Director
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City, State, Zip:	Lima, OH 45801
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Name/Title of Authorized Official:	David J. Berger, Mayor
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City, State, Zip:	Lima, OH 45801
Telephone:	419.221.5202
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Address for Posted Amendment:	<a href="http://www.cityhall.lima.oh.us">http://www.cityhall.lima.oh.us</a>

B. Summary of Substantial Amendment Proposed Changes

The City of Lima is submitting this Substantial Amendment to the 2020-2021 Annual Action Plan as required by the US Department of Housing and Urban Development (HUD), pursuant to 24 CFR Part 91.505; the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136; and the rules outlined by the Department of Housing and Urban Development in FR-6218-N-01: Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for CDBG-CV Grants, FY 2019 and 2020 CDBG Grants, and for Other Formula Programs. Based upon the City’s Citizen Participation Plan, a Substantial Amendment is required when there is a change within a budgetary item of 30% or more and/or a change within the programmatic/service aspects of the Plan which results in a significant change of production or service outcomes (e.g. a decline of 30% of products/services). Due to the pandemic, the City is amending its Citizen Participation Plan as permitted by the aforementioned regulations to provide a public comment period of five days and a virtual public hearing accessible to citizens.

	Description of Change	Reason for Change and Change to Action Plan Goals	2020 Budget	Amended Budget	Percentage Change
1.	Establishment of a business assistance program to provide working capital for businesses affected by the COVID-19 pandemic. The program will consist of grants of up to \$5,000 provided to eligible businesses funded by CDBG-CV grant dollars.	Due to the COVID-19 pandemic, the City has received CDBG-CV funding that must be used to prevent, prepare for, and respond to the pandemic. This program is designed to fund an eligible activity that will meet that objective by assisting businesses who are experiencing a reduction in working capital due to the pandemic. It is anticipated that up to 30 businesses will be assisted.	\$0	CDBG-CV funds +\$150,000	New Project
2.	Establishment of a subsistence payment program to assist LMI residents experiencing loss of income due the COVID-19 pandemic with rent, mortgage, and utility payments. The program will consist of payments of up to \$1,000 funded by CDBG-CV grant dollars to landlords, banks, mortgage companies, and utility	Due to the COVID-19 pandemic, the City has received CDBG-CV funding that must be used to prevent, prepare for, and respond to the pandemic. This program is designed to fund an eligible activity that will meet that objective by assisting residents at risk of homelessness due to a reduction in income as a result of the	\$0	CDBG-CV Funds +\$172,207	New Project

	providers to prevent homelessness and utility disconnection.	pandemic. It is anticipated that up to 150 residents will be assisted.			
3.	Acquisition and rehabilitation or construction of a multi-unit structure to provide Isolation and Quarantine (I&Q) facilities for homeless individuals and families during the COVID-19 pandemic. Project to be developed using CDBG-CV funds.	There are currently limited shelter facilities that can manage I&Q of homeless families who have been exposed to or who are at risk of being exposed to COVID-19. This need is not expected to abate in the near future. This change will ensure that needs for homeless families during the pandemic are met.	\$0	CDBG-CV Funds +\$500,000	New Project

### C. Relationship of Proposed Changes to the Consolidated Plan and Annual Action Plan Goals

As part of the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, CDBG entitlement communities were awarded an additional allocation of funding known as CDBG-CV. The City of Lima was awarded a total of \$822,207 to be used to prevent, prepare for, and respond to the COVID-19 pandemic. The current environment has created additional hardship for homeless families who may need to be quarantined but have no resources or shelter available, for businesses that have been required to close due to social distancing and stay-at-home orders, and for the employees who have been laid off or furloughed as a result. Therefore, the City of Lima will program its allocation of CDBG-CV funds as described below:

#### 1. Establishment of a Business Assistance Program using CDBG-CV Funds.

The City of Lima Business Assistance Program is a new program that will be deployed by the Department of Community Development. This grant program will provide financial stabilization support for businesses that have been impacted by the pandemic. The Consolidated Plan describes the need for Facilities/Services for Pandemic Response. The purpose is:

*“To assist in providing public facilities (new, expanded, retrofitted, etc.), special economic development assistance to businesses, public services and/or planning (in some limited cases) that could enhance Lima’s response to the impact of the COVID-19 pandemic. The City will place a high priority on providing facilities and services in support of a coordinated pandemic response. In light of the increasing severity of the COVID-19 pandemic, the City of Lima is interested in making available CDBG funding to program eligible projects and activities. While the level of severity in Lima is not fully known at this time, the number of confirmed cases may rise as testing becomes more readily available.”*

Eligible businesses will have suffered losses due to the COVID-19 pandemic. Assistance provided must be to preserve jobs that fall within the low- to moderate-income threshold.

Eligible businesses must not have received disaster assistance for the COVID-19 pandemic from other federal sources. A duplication of benefits exists if CDBG-CV funding is used for the same time period and same expenses as other federal funds. Therefore, funding will only be made available to eligible businesses that can demonstrate they have not received funding from other federal sources for the expenses for which assistance is requested.

All funding under this program must be used for "working capital" which includes salaries and wages.

2. Establishment of a tenant/homeowner assistance program using CDBG-CV funds.

The COVID-19 Emergency Tenant/Homeowner Assistance Program is a new program that will provide rental, mortgage, and utility payment assistance to low- to moderate-income households in Lima.

The Consolidated Plan describes the need for Facilities/Services for Pandemic Response. The purpose is:

"To assist in providing public facilities (new, expanded, retrofitted, etc.), special economic development assistance to businesses, public services and/or planning (in some limited cases) that could enhance Lima's response to the impact of the COVID-19 pandemic. The City will place a high priority on providing facilities and services in support of a coordinated pandemic response. In light of the increasing severity of the COVID-19 pandemic, the City of Lima is interested in making available CDBG funding to program eligible projects and activities. While the level of severity in Lima is not fully known at this time, the number of confirmed cases may rise as testing becomes more readily available."

The rental, mortgage, and utility assistance will be available for up to three (3) consecutive months and the payments will go directly to the landlord, bank, mortgage company, or utility provider. The Tenant/Homeowner Assistance Program meets the national objective of Low/Mod Limited Clientele as the assistance will benefit low- to moderate-income clients. The Tenant/Homeowner Assistance Program will assist at least 130 households utilizing up to \$172,207 in CDBG-CV funds as shown in the table above. The assistance to each client will not exceed \$1,000 per client, and the assistance will be paid directly to the landlord, bank, mortgage company, or utility provider.

3. Acquisition and rehabilitation or construction of a multi-unit structure to provide Isolation and Quarantine (I&Q) facilities for homeless individuals and families.

The Consolidated Plan describes the need for Facilities/Services for Pandemic Response. The purpose is:

"To assist in providing public facilities (new, expanded, retrofitted, etc.), special economic development assistance to businesses, public services and/or planning (in some limited cases) that could enhance Lima's response to the impact of the COVID-19 pandemic. The City will place a high priority on providing facilities and services in support of a coordinated pandemic response. In light of the increasing severity of the

COVID-19 pandemic, the City of Lima is interested in making available CDBG funding to program eligible projects and activities. While the level of severity in Lima is not fully known at this time, the number of confirmed cases may rise as testing becomes more readily available.”

Since the beginning of the spread of COVID-19 in Allen County and Lima, social service providers have encountered a need for homeless individuals and families, especially families with children, to be provided space to quarantine when potentially exposed to the virus. The lack of available housing for these individuals and particularly families has created concern about the spread of the disease and the health and welfare of the individuals affected. There is currently a lack of available space to adequately provide the housing needed to accommodate the homeless when they should be quarantined or isolated. After several planning discussions with social service providers in Lima who are working to meet this need, it has become apparent that a facility is needed to provide the required space to appropriately isolate and quarantine persons who may have been exposed to the COVID-19 virus and who may potentially become ill and/or contribute to community spread of the virus. Provision of this type of housing for homeless individuals and families is a permitted activity under CDBG regulations and will meet this need that has emerged as a result of the pandemic. As such, it will help to prevent, respond to, and prepare for the COVID-19 epidemic.

The City of Lima, in partnership with area social service providers, will seek to identify either an existing building for rehabilitation or property on which a new facility can be constructed. \$500,000 in CDBG-CV funds will be utilized to assist with project development and costs.

#### D. Citizen Participation Process and Public Comments

The City of Lima is submitting this Substantial Amendment to the 2020-2021 Annual Action Plan as required by the US Department of Housing and Urban Development (HUD). The CARES Act and HUD have provided flexibilities in the procedural requirements for the use of CDBG-CV funds, and the City of Lima is hereby amending its Citizen Participation Plan and utilizing the waiver of the 30-day comment period that has been permitted. The waiver allows a comment period of no less than 5 days in order to program the funding quickly and efficiently.

The 5-day comment period will begin Monday, November 23<sup>rd</sup>, and will end on December 2<sup>nd</sup> at 5:00 pm. The City values the receipt of public input into this process, desires to be transparent with Citizens, and wishes for Citizens to be both informed and engaged with their community. In accordance with this desire, and corresponding with the requirements of the Citizen Participation Plan and HUD, the details of this proposed amendment, as written herein, are available for public review and comment, as outlined in the table below.

Action to be taken	Date
Legal ad of comment period placed in The Lima News	November 21, 2020
Public Hearing, City Council Chambers	December 7, 2020
Council Meeting – Consideration of legislation to approve final changes	December 7, 2020

The documents regarding this Substantial Amendment are available on the City of Lima website at [www.cityhall.lima.oh.us](http://www.cityhall.lima.oh.us) and at the local Public Library. Interested persons may call Susan Crotty or Sophia Fisher at 419-221-5146. Copies can be made available at the Department of Community Development (DCD), 50 Town Square, Lima, OH 45801 upon request.

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Below to be completed after the appropriate public comment period and public hearing:

1. Description of Emails, calls, and letters received relative to this Substantial Amendment:
  
2. Summary of comments received:
  
3. Summary of comments or views not accepted and the reasons for not accepting them:
  
4. Summary of comments accepted and the reasons for accepting them:

E. Authorized Signature

By signing this Amendment, I certify that the statements and records herein are true, complete, and accurate to the best of my knowledge. All public comments have been reviewed, the noted Public Hearing has been held, and this submission includes any revisions resulting from this process. I am authorized to submit this Amendment request on behalf of the City of Lima.

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David J. Berger, Mayor

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Date