



April, 2020
City Of Chattanooga
Department of Economic & Community Development
Community Development Division
Summary of Program Amendments
In Response to COVID-19

Amendment Summary

In the event of a declared disaster or emergency, it may be necessary to expedite substantial amendments to the Consolidated Plan, Action Plan and or Citizen Participation Plan. These amendments may include accepting new or additional funding, funding new activities and/or the reprogramming of funds, including canceling activities to meet needs resulting from a declared disaster or emergency.

In response to the Coronavirus Pandemic (COVID-19) the U.S. Department of Housing and Urban Development (HUD) has informed the City of Chattanooga that it will receive \$938,930 as a special allocation of Community Development Block Grant Coronavirus (CDBG-CV) funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). This allocation was authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The City may use 2019 funding, 2020 funding and the new COVID-19 funding toward pandemic response. The City of Chattanooga's 2015 - 2019 Consolidated Plan, 2019 – 2020 Action Plan, and Citizen Participation Plan will be amended to enable the City to receive and administer the \$938,930 of CDBG-CV funding and any other funding made available to the City through the CARES Act. from HUD. The amendments also cover reprogrammed CDBG funds already allocated to the City in prior years and for FY 2019 and FY 2020.

2015-2019 Consolidated Plan and FY 2019 Action Plan Amendments

CDBG-CV \$938,930

CDBG-CV is to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). In planning for the utilization of the funds, the City will prioritize the unique needs of low- and moderate-income person and the development of partnerships between all levels of government and the private for-profit and non-profit sectors.

Potential CDBG-eligible activities to support the COVID-19 response may include, but are not limited to:

- Building and improvements, including public facilities such as constructing testing and diagnosis, or treatment facility; rehabilitation of a community facility to establish an infectious disease treatment clinic; acquisition and rehabilitation, or construction of a group living facility that may be used to centralize patients undergoing treatment; rehabilitation of a commercial building or closed school building to establish an infectious disease treatment clinic, e.g. by replacing the HVAC system; acquisition and rehabilitation of a motel or hotel building to expand the capacity of hospitals to accommodate isolation of patients during recovery; or to make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis;
- Assistance to businesses, including special economic development activities such as providing grants or loans to support new business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease; avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons; or to provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine;
- Public services such as emergency grant payments for rent and utilities, job training to expand the pool of health care workers and technicians that are available to treat a disease within a community; provide testing, diagnosis or other services at a fixed or mobile location; increase the capacity and availability of targeted health services for infectious disease response within existing facilities; provide equipment, supplies, and materials necessary to carry out a public service; deliver meals on wheels to quarantined individuals that need to maintain social distancing due to medical vulnerabilities;
- Planning, capacity building, and technical assistance such as gathering data and developing non-project specific emergency infectious disease response plans; and

- Any other activity allowed under current CDBG regulations.

Additional CDBG funding made available to the City by HUD through the CARES Act is unknown as this time but will be used for the same purpose of the initial allocations indicated above which is to prevent the spread of coronavirus 19 (COVID-19) and facilitate assistance to eligible communities, households, and persons economically impacted by COVID-19.

The CARES Act adds additional flexibility for both the CDBG-CV grant and, in some cases, for the annual FY2020 CDBG grants. It also authorizes the Secretary to grant waivers and alternative requirements of statutes and regulations the Secretary administers in connection with the use of CDBG-CV funds and fiscal years 2019 and 2020 CDBG funds.

To expedite and facilitate the use of funds the City of Chattanooga will, as necessary, avail itself of the additional flexibility being provided, request available waivers, and request permission to use alternative requirements of statutes and regulations with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds.

Eligible, CDBG costs incurred as of March 27, 2020, which is the date in which President Trump signed the CARES Act, and paid for with nonfederal funds may be repaid with CDBG and funding, including those made under the CARES Act. These pre-award costs will meet all HUD requirements applicable to CDBG, including those under the CARES Act. Unless waived by HUD, CDBG pre-award costs for FY 2020-2021 will not exceed 25% of the grant and will be used for the CDBG eligible activities as indicated above.

Further guidance defining what qualifies as CDBG-CV response, and other information, is forthcoming from HUD. The public services cap is suspended for 2019, 2020 and new CDBG-CV funds. The CARES Act allows for unlimited COVID-19 related pre-award costs, but reimbursement of eligible costs is only applicable for new CDBG-CV funding and does not apply to 2019 or 2020 funds. Limitations on pre-award costs for prior year awards still apply.

All eligible CDBG activities must meet one of the national objectives which are: (1) Benefit to low- and moderate-income (LMI) persons; (2) Aid in the prevention of slums or blight; and (3) Meet a need having a particular urgency. The City may undertake CDBG-eligible activities to meet needs resulting from declared disasters or emergencies under any one of the three national objectives

Reprogrammed Funds - \$600,000

The City is reprogramming up to \$600,000.00 of prior year's CDBG funding, to respond to the COVID-19 pandemic by providing emergency rental and utility payment assistance to eligible households under a COVID-19 Emergency Rental and Utility Assistance Program. The purpose of the program is to provide assistance in the form of rental and utility payments for City of Chattanooga residents who have lost their job, been furloughed, or had their hours reduced because of the economic impact of COVID-19. Assistance can be provided for up to three months. Payments are made directly to

the landlord and utility vendor on behalf of the qualified resident. Eligible residents include those living in households with incomes at or below 80% AMI, can provide documentation of need and the applicable impact of COVID-19, etc. FY 2020-2021 CDBG funds already allocated to the City may also be used to respond to COVID-19.

Citizen Participation Plan Amendments

As part of this amendment, the City has also revised the Consolidated Plan's Citizen Participation Plan. For CDBG funding under the CARES Act and funding for FY 2019-2020 and FY 2020-2021, the City may provide a 5-day notice of a proposed off-cycle change beginning April 8, 2020, as allowed under a HUD waiver. Along with other minor changes, the amendment addresses accommodations for reasonable notice and opportunity to comment while limiting public gatherings to prevent the spread of COVID-19. The amended plan is provided on the City's website.

Opportunity for Public Comment

The Consolidated Plan, Action Plan and Citizen Participation Plan amendments are available for a 5-day public review and comment period from **April 20, 2020 to April 24, 2020**.

Citizens wishing to submit written comments during the public review and comment period may e-mail them to: Sgober@chattanooga.gov. Comments can also be made by phone at: (423)643-7332 between the hours of 8:00am and 4:30pm, Monday through Friday or be mailed, postmarked no later than April 24, 2020, to the following:

City of Chattanooga
Attention: Sandra Gober
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