

# Public Hearing Background Information

for

**COMMUNITY DEVELOPMENT, ECONOMIC DEVELOPMENT AND HOUSING NEEDS**

and

**CORONAVIRUS PREVENTION, PREPARATION AND RESPONSE**

Notice was given in the *Cumberland Times-News* on Saturday, May 23, 2020, that the Allegany County Commissioners would sponsor a public hearing on the following subjects:

1. To obtain the views of citizens on:

**COMMUNITY DEVELOPMENT, ECONOMIC DEVELOPMENT AND HOUSING NEEDS**

2. To offer citizens the opportunity to review an application for funds for:

**CORONAVIRUS PREVENTION, PREPARATION AND RESPONSE**

The draft application will be available for the public to review and to provide comments on Tuesday, May 26, 2020, until Monday, June 1, 2020, during normal business hours at the Allegany County Department of Economic and Community Development, 701 Kelly Road, Suite 400, Cumberland, MD by appointment, or by e-mail, contacting David Nedved at 240-727-2787 or at [dnedved@alleganygov.org](mailto:dnedved@alleganygov.org).

Citizens will have the opportunity to discuss proposed projects and to provide input on other needs to be considered. The hearing will be held in the Allegany County Commissioners' Public Meeting Room 100, 701 Kelly Road, Cumberland, MD, at 5 p.m. on Thursday, May 28, 2020. A live feed of the proceedings will be available on the County's website, <https://alleganygov.org/>, at 5 pm. Citizens wishing to address the Board may do so by e-mailing comments to [dnedved@alleganygov.org](mailto:dnedved@alleganygov.org) by 2 pm on Thursday, May 28, 2020.

Under the CARES Act, Congress provided \$5 billion to fund the Community Development Block Grant Program (CDBG-CV) for activities to prevent, prepare for and respond to the coronavirus crisis. The first \$2 billion was distributed using the same formula the United States Department of Housing and Urban Development (HUD) used to award funds to entitlements and states for federal fiscal year 2020. The State of Maryland, through the Department of Housing and Community Development (DHCD) was awarded \$4,691,887 for non-entitlement communities. The remaining \$3 billion will be provided at a later date using formulas to be developed by HUD.

HUD provides the State with “maximum feasible deference” to create additional policies, be more restrictive than HUD in policies and interpretation of regulations, and to determine how funds will be distributed. Additionally, the State may choose not to fund certain types of projects though they are eligible. Of the total funds received, 70% of the funds must be spent on activities that benefit low and moderate income persons. For this grant, HUD has removed the 15% limit on funding of public services.

The CDBG-CV funds will be distributed as follows:

<b>STATE OF MARYLAND CDBG-CV ALLOCATION – ROUND 1</b>	
State Administration (2% + \$100,000)	\$193,837.74
Technical Assistance (1%)	\$46,918.87
Projects and Activities	\$4,451,130.39
<b>TOTAL</b>	<b>\$4,691,887.00</b>

The State will match the 2% administrative allowance with State general funds. The 1% Technical Assistance funds will be used to pay for program administrative costs related to providing technical assistance to grantees.

ELIGIBILITY

For this grant, the State chooses to only accept applications from non-entitlement county governments through a competitive process. This limitation is an effort to address needs impacting the entire county.

To be eligible for CDBG funding, each application submitted for funding must meet the following eligibility requirements:

- The applicant is an eligible non-entitlement county government with a population of less than 200,000 (this count excludes HUD entitlement jurisdictions within the county);
- The proposed activities are eligible under Title I of the Housing and Community Development Act of 1974, as amended, and identified on the list of eligible activities in this plan;
- The proposed project(s) meets a national objective as required under 24 CFR Part 570;
- The proposed (if any) subrecipient(s) is eligible;

A county government can submit one application for multiple projects.

A county government may submit an application which includes projects to be carried out by subrecipients *if they choose to do so*. As this crisis impacts the county as a whole, counties must be inclusive and the consider needs of municipalities, and health and human service providers.

Eligible subrecipients include:

- non-profit organizations that are corporations, associations, agencies or faith-based organizations with non-profit status under the IRS Section 501(c)(3); and
- community based development organizations (CBDOs) that have been certified by the CDBG Program.

The county government is expected to conduct a risk analysis to review and evaluate the financial and administrative capacity of subrecipients to manage and complete projects. This risk analysis should include an assessment of past performance with CDBG funds, experience of staff, and determination that the proposed number of staff to carry out the project(s) is sufficient.

If funded, the grantee will be required to execute a Subrecipient Agreement with the specific entity(s). These agreements bind them to the requirements and policies of the CDBG program and the grantee.

### NATIONAL OBJECTIVE

CDBG funded projects must meet at least one of the following national objectives as required by Title I of the Housing and Community Development Act of 1974, as amended:

- to benefit low and moderate income persons;
- to prevent or eliminate conditions of slum and blight; or
- to meet an urgent need.

To ensure that the grant activities are used to prevent, prepare for and respond to the coronavirus crisis, the State has chosen to limit the use of these funds to meet only two of the national objectives.

The activities to be funded under this grant must meet one of the following national objectives:

*Benefit to Low and Moderate Income Persons Thru Limited Clientele Activities* – For projects that benefit persons that are “presumed” to be of low and moderate income or are qualified based on data about family size and income. If not a presumed clientele, 51% of the total number of beneficiaries must be of low and moderate income.

The following clientele are presumed by HUD to be of low and moderate income:

- Abused Children
- Elderly Persons
- Adults meeting the census definition of severely disabled
- Homeless Persons
- Persons Living with Aids
- Battered Spouses
- Migrant Farm Workers

*Benefit to LMI Households Thru Housing Activities* – For projects that benefit a low and moderate income household that is qualified based on data about household size and income.

*Meeting an Urgent Need* – For projects that respond to or address a serious and immediate threat to the health and welfare of a community, are of recent origin, and other funding sources are not available. Note that only 30% of the available funding can be used to fund activities under this national objective.

## ELIGIBLE USES AND ACTIVITIES

Activities assisted under the State CDBG program must be eligible per Section 105(a) of Title I of the Housing and Community Development Act of 1974 (“HCD Act of 1974”), 42 U.S.C. § 5305(a), as amended.

The State chooses to limit the uses of funds to certain activities. The eligible activities can be implemented immediately and are not subject to lengthy environmental review processes or permitting. All activities are considered to be public services by HUD. Applicants must be able to demonstrate that they are addressing needs resulting from the coronavirus crisis.

***Under the State CDBG Program, for public service activities, applicants must be able to demonstrate that they are implementing a new service or that they are addressing a quantifiable increase in the demand/need for existing services due to the coronavirus crisis.***

Eligible uses and examples of projects/activities are:

- Senior Services
  - Hiring of new staff for case management for isolated/quarantined seniors
  - Hiring new staff and/or purchasing food for delivery programs
  - Medical services
- Food Programs
  - Hiring of new staff
  - Purchasing of food and food distribution
  - Leasing of rental spaces
- Homeless Assistance
  - Hiring of new staff
  - Acquisition/rental of medical equipment/beds/tables/chairs
  - Acquisition of supplies and materials
  - Rental of buildings/spaces necessary for isolation/quarantine
  - Emergency sheltering (hotel/motel)
  - Procured medical and health services
  - NOTE: Not for homeless prevention activities

- Rental Assistance for Low and Moderate Income Households
  - Provision of three months of emergency rental assistance to keep tenants in housing
  - NOTE: Assistance can be provided beginning in May
- Rural Health Centers/Clinics
  - Hiring of new staff
  - Operating costs (limited)
- Services for Disabled Adults
  - Hiring of new staff
  - Creative solutions to provide services
- Other Essential Services
  - Will be considered on a case by case basis to determine eligibility

As there is significant funding available at both federal and state levels, the CDBG Program is to ensure that there is no duplication of benefits. Applicants must identify all sources of funds, including local and private, that have been applied for and/or received for requested projects and activities. Food purchases are only allowed during the emergency period.

County applicants can request reasonable amounts of funds for project administration for themselves and their subrecipients. No funds will be awarded for general administration or indirect costs.

Eligible uses and examples of projects/activities in Allegany County are:

- Supplies for staff and kitchens/food preparation rooms
- Shelf stable meals for seniors
- Supplies for homeless encampments
- Motel placements for vulnerable elderly or people unable to stay at shelters (due to background or health related issues) or people who currently have COVID-19
- Cab fare for population listed for motel placements for housing search
- Sanitizing and cleaning supplies for shelters (Family Crisis Resource Center, Laura's Anchor and Union Rescue Mission)