

**DRAFT AMENDMENT TO THE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 2019 ACTION PLAN
TO RECEIVE CDBG CORONAVIRUS AID (CDBG-CV3)**

A. BACKGROUND

The City of Middletown is a recipient of a CDBG COVID-19 response grant (CDBG-CV 3) in accordance with the Coronavirus Aid, Relief and Economic Security Act (CARES Act), Public Law 116-136 to respond to the growing effects of the current public health crisis. The City of Middletown Office of Economic and Community Development (OECD) submitted a final 2019 Action Plan Component to the 2015-2019 Five-Year Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD) June 18, 2019. A public comment period was undertaken from October 1, 2018 through October 31, 2018. Two public hearings were held September 17, 2018 and November 1, 2018. An amendment to this plan was submitted on May 8, 2020 for the first round of CDBG-CV funding.

The Amendment guidelines contained in the City's Citizen Participation Plan require that an Amendment be undertaken whenever the needs, goals, priorities or funding identified in an Action Plan is changed in a material way, such that the same is no longer consistent with the initial proposed activity contained within the applicable Action Plan when adopted subsequent to modification made thereafter.

The City of Middletown, in response to an additional allocation of CDBG-CV grant funds to prevent, prepare for and respond to the Coronavirus (COVID-19), has identified that there is a need to create an Amendment to the 2019 Action Plan.

At this time, The City of Middletown is submitting a second substantial amendment to the approved 2019 Action Plan to address the following program changes:

- Amend the Action Plan budget/project allocation to include the rehabilitation of 8-10 Mulberry Street in order to relocate the Greater Middletown Interfaith Council Warming Station as an additional project/activity utilizing the CDBG-CV3 funds.
- Amend the grant completion date from December 31, 2021 to December 31, 2022.

B. AMENDMENT

This Amendment to the 2019 Action Plan involves an allocation of CDBG-CV3 funding from the federal department of Housing and Urban Development, in the amount of \$250,534.

- 1. Amend the Action Plan budget/Project allocation to include additional projects and activities utilizing the CDBG-CV funds and any 2019 or 2020 CDBG funds that may be available.**

The Action Plan budget submitted on June 18, 2019 contained the following proposed projects and allocations:

ORIGINAL 2019 BUDGET

2019 allocation \$498,458

2019 Estimated Program Income allocated for admin \$30,000 (2019)

Prior Year estimated program income allocated \$116,800

PROPOSED BUDGET	Grant	Program Income	Old EN \$\$	Total
Administration	99,691	30,000 (2019)	0	129,691
Single Family Rehab	207,665	10,000 (2017) 15,000 (2014)	55,000 (2018)	287,665
Multi Family Rehab	57,000	5000 (2018)	39,000 (2018) 17,500 (2017)	118,500
Code Enforcement	23,675	0	0	23,675
Economic Development	110,427	100,000 (2018)	39,290 (2018)	249,717
Homebuyer	0	1,800	0	1,800
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	498,458	146,800	165,790	0 811,048

The first amendment (May 2020) was in regards to CDBG-CV allocation additions and additional proposed projects:

Estimated CDBG-CV Budget

CDBG-CV allocation - \$292,206.00

Project	CDBG-CV
Public Services	\$73,765.00
Economic Development	\$160,000.00
Administration and Planning	\$58,441.00
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TOTAL	\$292,206.00

Please see Attachment 1 for project and activity descriptions.

The current amendment (December 2020) is in regards to the CDBG-CV3 allocation additions and additional proposed projects:

Estimated CDBG-CV3 Budget		
Project	ACTIVITIES	CDBG-CV
CDBG-CV allocation - \$250,534		
Public Facility	Greater Middletown Warming Station	\$200,428.00
Administration and Planning		\$50,106.00
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TOTAL		\$250,534.00

Please see Attachment 2 for project and activity descriptions.

2. Amend the grant completion date from December 31, 2020 to December 31 2021.

It is unknown how long the COVID 19 restrictions will last. While the City expects that it's public facility activities will be completed by the first quarter of 2021. Monitoring at the 6-month and 1-year marks may keep this activity open longer.

C. PUBLIC PARTICIPATION

A public hearing will be held, in accordance with the Citizen Participation Plan emergency procedure, on November 20, 2020 as well as a 5-day public comment period on the Amendment which will be conducted beginning November 20, 2020 and ending on November 24, 2020. Public participation has been held in accordance with the HUD waiver dated April 2, 2020 to allow a five-day comment period. Any persons wishing to obtain a copy of the Amendment may do so at the City of Middletown website: www.middletown-ny.com.

Common Council approval is pending on December 1, 2020.

D. PUBLIC COMMENT ON AMENDMENT

Any persons wishing to provide comments on the Amendment may do so during the public hearing or the comment period by writing to the Office of Economic and Community Development at the following address: Office of Economic and Community Development; City Hall; 16 James Street; Middletown, New York 10940 or by email to CommDev@Middletown-NY.com.

Attachment 1 – CDBG-CV

April 2020

Project and Activity Descriptions

1. Public Services

24 CFR 570.201 (e) allows for the provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payments identified under § 570.207(b)(4)), homebuyer downpayment assistance, or recreational needs. The City of Middletown intends to use CDBG-CV funds to provide health and nutrition services to vulnerable populations in the City of Middletown. The City will develop policies and/or monitoring to prevent the duplication of benefits in accordance with HUD guidance.

a. Middletown Pantry

As COVID-19 spreads throughout communities we are hearing more and more about how senior citizens are more vulnerable to the virus. However, the struggle for seniors, who are low-income and/or have underlying health issues, is to comply with the safety recommendations. “Older adults experiencing poverty tend to live on fixed incomes, have limited transportation options, and often experience difficulty meeting their basic nutritional needs. This makes them especially vulnerable when an unexpected life event or financial expense occurs, because they typically do not have sufficient savings or the ability to work more to make up for losses. During a pandemic, it could be deadly.”

(Brookings Institute : <https://www.brookings.edu/blog/the-avenue/2020/03/16/for-millions-of-low-income-seniors-coronavirus-is-a-food-security-issue/>)

In the City of Middletown 11.3% of those 60 years and over and 11.8% of those 65 years and over live in poverty. Information on income by age, not relative to poverty, is not available. But one can assume that many moderate-income seniors are on a fixed income and one small disaster away from need. (2018 ACS 5-year estimates – Table S1701 - Poverty Status in the last 12 months)

Poverty is such in the City of Middletown that the Middletown Enlarged City School District provides their nearly 7400 students with free lunch and breakfast. Although the distribution of those meals has continued throughout the COVID-19 crisis, families who have never had to resort to food banks or community kitchens have found themselves in need. Indeed, 25.8 percent of children 18 and under lived below the poverty level in the last 12 months.

In the last 30 days the City's Recreation and Parks Department has received 129 referrals from other agencies regarding families who are in need. Mulberry House Senior Center outreach has identified over 100 persons in the last 30 days in need of nutrition assistance. More families and seniors in need are identified each day. This activity would fund a grant for limited nutrition service. Each request would provide a basic nutrition package. This would enable the Pantry to serve 1200 households over the next 5 months.

b. Guild of St. Margaret Soup Kitchen

Since the COVID-19 restrictions started in New York State vulnerable individuals and families have lost jobs and along economic insecurity comes food insecurity. The Guild of St Margaret Soup Kitchen has fed the hungry in the City of Middletown for nearly 40 years. They have provided approximately 3000 meals a month over the last year. Since COVID-19 restrictions have been in place and they have migrated from dine-in meals to take out. The need is such that they are now serving 5100 meals a month.

As a result of current events their costs for food and supplies have risen. They have a budget deficit of \$3300 a month.

This activity will cover the cost of food and supplies beyond the Kitchen's annual budget up to \$15,000 through December 31, 2020.

c. Sanitation

The City of Middletown has 20 parks, public spaces and green spaces and a theatre. Playground equipment, picnic pavilions and other equipment/amenities as well as the theatre have been closed since the inception of COVID-19 restrictions. Before reopening these spaces, the equipment and amenities will need to be sanitized. This activity will fund the purchase of a hot water commercial pressure washer, commercial steam cleaners and steam extractor for disinfection.

2. Administration and Planning

The City intends to use 20% (\$58,441) of the funds for administration and planning purposes.

Attachment 2 – CDBG-CV3

Project activity and description

Public Facility

1. Warming Station - The Greater Middletown Interfaith Council's Warming Station is an overnight facility for homeless individuals during the cold months of the year. The current location is unsuitable for Covid-related reasons, i.e., inappropriate ventilation, not enough room for social distancing requirements and other things of that nature. CDBG-CV3 funds will be used to renovate a suitable space for the warming station in a city-owned location. The facility may also be used as a community center when not in use as a warming station. The Council will lease the location from the City for an initial period of 5 years.
2. Administration and planning
The City intends to use 20% (\$50,106) of the funds for administration and planning purposes.