

# **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 and CDBG-CV3) 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 and again on June 17, 2021 for the final 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 the additional cost of materials due to shortages caused by the COVID-19 pandemic (COVID-19), has identified that there is a need to create an Amendment to the amended 2019 Action Plan.

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

- Amend the Action Plan budget/project to re-allocate funds to the Greater Middletown Interfaith Council Warming Station and Sanitation projects

## **B. AMENDMENT**

This Amendment to the 2019 Action Plan involves a re-allocation of CDBG-CV and CDBG-CV3 funding from the federal department of Housing and Urban Development.

**Amend the Action Plan budget/Project allocation to defund the SBL-CV proposed project and unused Administration and Planning funds, as well as CDBG program income to other existing CDBG-CV projects**

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

<b>PROPOSED BUDGET</b>	<b>Grant</b>	<b>Program Income</b>	<b>Old EN \$\$</b>	<b>Total</b>	
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	
	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

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

Please see Attachment 1 for project and activity descriptions.

**The second amendment (June 2021) was in regards to CDBG-CV3 allocation additions and additional proposed projects:**

<b>Estimated CDBG-CV3 Budget</b>		
CDBG-CV3 allocation - \$250,534		
<b>Project</b>	<b>ACTIVITIES</b>	<b>CDBG-CV</b>
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.

**The current amendment (September 2021) is in regards to the re-allocation of CDBG-CV funds to existing CDBG-CV and CDBG-CV3 projects**

<b>Estimated CDBG-CV/CV3 reallocation</b>		
Public Services	Sanitizing, Middletown Pantry, Guild of St. Margaret Soup Kitchen	\$204,163.00
Economic Development	SBL-CV	0
Administration and Planning C/CV3		\$29,002.00
Public Facility	Greater Middletown Warming Station	\$309,575.00
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TOTAL CDBG-CV		\$542,740.00
CDBG funding		<u>\$50,000.00</u>
Total all funding		\$592,740.00

Please see Attachments for project and activity descriptions.

### **C. PUBLIC PARTICIPATION**

A public hearing will be held on October 4, 2021 as well as a public comment period on the Amendment which will commence September 23, 2021 and end on October 4, 2021. Public participation has been held in accordance with the HUD waiver dated April 2, 2020 to allow at least a five-day notice, publication and comment period.

Any persons wishing to obtain a copy of the Amendment may do so by request to [CommDev@Middletown-NY.com](mailto:CommDev@Middletown-NY.com), calling the Office of Economic & Community Development at 845-346-4170, on the City of Middletown website; Economic & Community Development page: <https://www.middletown-ny.com/en/departments/economic-development.html> , or in person at the OECD Office, 16 James St. Middletown, NY 10940.

Common Council approval is pending on October 5, 2021 at the Common Council Meeting.

### **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](mailto: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**

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.