



Development
Services Agency

PY 2019 Coronavirus Aid, Relief, and Economic Security (CARES) Act Annual Action Plan Substantial Amendment – ESG-CV, CDBG-CV and HOPWA-CV

June 2020

Prepared By:

Ohio Development Services Agency

Community Services Division

Office of Community Development

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Introduction

The Development Services Agency (Development) is receiving supplemental funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act for the State of Ohio to mitigate economic impacts caused by COVID-19. The state is required to prepare and submit a Substantial Amendment to its PY 2019 Annual Action Plan as part of the Five-Year Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD), pursuant to regulations at 24 CFR 91.320, to access the Community Development Block Grant-CV (CDBG-CV) Program, Emergency Solutions Grant-CV (ESG-CV) Program and the Housing Opportunities for Persons with AIDS-CV (HOPWA-CV) Program. This substantial amendment captures the funding provided to Ohio in the first round of CDBG-CV and ESG-CV, as well as the full amount provided to Ohio under HOPWA-CV. HUD awards funding from these programs to the state, which are then distributed by Development's Office of Community Development (OCD). The OCD established a variety of programs for distributing the CARES Act funds. Each of the programs and activities proposed are described in detail below as part of this Draft PY 2019 CARES Act Annual Action Plan Substantial Amendment along with the proposed funding amounts.

Program Year (PY) 2019 Ohio Consolidated Plan Annual Action Plan Substantial Amendment (CARES Act) Public Hearing Notice and Five-Day Comment Period

The OCD applied for and received a waiver from HUD regarding the 30-day public comment period citizen participation requirement. Development notified the public of the hearings and comment period on the draft Substantial Amendment to the PY 2019 Annual Action Plan at least 10 days prior to the meetings through newsletters and posting on its website at https://development.ohio.gov/cs/cs_ocp.htm.

Due to the COVID-19 state of emergency, Development allowed interested parties to submit written testimony via email to ocd@development.ohio.gov any time during the public comment period between May 25, 2020, and June 1, 2020. Interested parties were able to submit comments via email to the email address above by 11:59 p.m. on June 1, 2020. Questions regarding the plans or comment process should be directed to Ian Thomas at Ian.Thomas@development.ohio.gov.

PY 2019 Annual Action Plan Substantial Amendment (CARES Act) Virtual Public Hearing Notice

May 26, 2020

10:30 a.m.

Online: <https://ohio.webex.com/ohio/j.php?MTID=m3639ea7bc07a1ead1a366369280823ae>

Phone: 1-408-418-9388, access code: 710 600 094

Submission to HUD

Following the PY2019 CARES Act Annual Action Plan Substantial Amendment public comment period, the OCD will submit the final document via Integrated Disbursement Information and Information Systems (IDIS) to HUD for an expedited 15-day review period. The OCD will notify local communities, agencies, and organizations throughout the state when HUD approves the final PY2019 CARES Act Annual Action Plan Substantial Amendment and provide information on how to access the approved amendment.

Expected Resources

The federal resources allocated to the state from HUD as part of the CARES Act in the first round of funding for CDBG-CV and ESG-CV, and the full amount for HOPWA-CV are listed below. The guidelines for each program are described in detail in the next section.

\$ 27,257,013	Community Development Block Grant (CDBG-CV) Program – Round 1
\$ 21,324,293	Emergency Solutions Grant (ESG-CV) Program – Round 1
<u>\$ 308,683</u>	<u>Housing Opportunities for Persons With AIDS (HOPWA-CV) Program</u>
\$ 48,889,989	Total Federal PY 2019 CARES Act Funds addressed in this amendment

The OCD established several programs with policies on how these funds can be used. These policies are listed below for each of the respective CARES Act HUD funding sources allocated to Ohio.

ESG-CV COVID19 Response Program

Goal: To prevent individuals and families from entering homelessness, provide for emergency shelter operations, including motel/alternative shelter costs, and rapidly move persons from homelessness to permanent housing as quickly as possible.

The ESG-CV Program is divided into two components: 1) emergency shelter operations, including motel/alternative shelter costs; and 2) housing stability consisting of homelessness prevention and rapid re-housing (RRH) activities. This program has been designed to be consistent with the federal Emergency Solutions Grants (ESG) program.

While grantees may use funds for homelessness prevention and RRH, RRH is the priority of these funds and should be allocated throughout the homeless planning region based on the need for RRH assistance. Homelessness prevention funds should be limited for use by persons who are in a doubled-up situation or living in temporary housing such as motels, being forced to leave and facing imminent homelessness.

The Office of Community Development (OCD) incorporates the Emergency Solutions Grant program requirements, ESG-CV funding federal requirements, and the Ohio Basic Shelter Standards into a uniform set of requirements so that all ESG-CV funded projects are governed by the same requirements. The Emergency Solutions Grants Program's regulations are found in the Code of Federal Regulations at 24 CFR § 576.

Eligible Applicants: Funding is available to eligible nonprofit organizations and units of local government for emergency shelter activities, and to state-selected nonprofit organizations and local units of government for homelessness prevention and RRH activities.

Only one state-appointed organization per Homeless Planning Region is eligible to apply for homelessness prevention and RRH funds on behalf of the region. To apply for homelessness prevention and RRH funds, each region must have a collaborative, Regional Homeless Service Coordination Plan (regional plan). Regional plans should include agreed upon participant screening criteria, common assessment tools and referral processes, and each participant in the region implementing the program must use the same forms.

Note: All agencies applying for emergency shelter funding must participate in this planning process and be listed in the Regional Homeless Service Coordination Plan to be eligible for emergency shelter funds.

The Ohio Domestic Violence Network will be an eligible applicant for up to \$2 million for distribution to domestic violence shelters in the balance of state. Domestic violence shelters that receive these funds will be required to implement a Homeless Management Information System (HMIS) Comparable Database collaborate with the Region Leads for access to RRH assistance.

Region Leads will be able to apply for up to \$100,000 to provide funding to emergency shelters not currently funded by OCD or to provide funds for motels/alternative shelter beds in counties without OCD-funded shelters. OCD will provide the criteria that unfunded shelters must meet to be eligible for funding.

Total Funds Available: approximately \$21,324,293 in PY 2020 federal CARES Act ESG-CV funds. Funds will be awarded in two rounds with the first round distributing \$6.5 million to emergency shelters, \$6.5 million to housing stability projects, \$2 million for domestic violence shelters, and \$1 million to Lead Agencies for unfunded emergency shelters/motel vouchers. Emergency shelter and housing stability funds will be split between entitlement and balance of state areas at a ratio of 30%/70%. The remaining funds will be distributed based on factors such as performance, number of persons served, unmet need, etc. Funds will be added to existing grants through a grant amendment process.

Funding Method:

Emergency Shelter Activities: Shelter projects must meet the Ohio Basic Standards for Emergency Shelters (<https://development.force.com/OCDKnowledgeArticles/s/article/Resources-for-Supportive-Housing-Grantees>) as well as the requirements listed in the Development's current PY 2019 Ohio Consolidated Plan Annual Action Plan to receive and continue to receive CARES Act funding.

Shelter projects currently funded by the OCD and in good standing are eligible to apply for the allocation amount which is based on a percentage of the previous funding level. Based on final funding distribution between emergency shelter and housing stability, grantees may receive an increase in the allocation amount.

Homelessness Prevention and Rapid Re-Housing (RRH) Activities: Funding for homelessness prevention and RRH activities will be available via an allocation methodology through state-selected regional applicants. This formula allocation will assure at least minimum crisis response funding levels are available for persons at imminent risk of homelessness or persons who are homeless in all areas of the state. Additional funds may be available for RRH activities targeted to individuals and transition-age youth. If additional funds are available, applicants will be able to compete for such funding based on a program design evaluation, HMIS data quality and outcomes, coordination, need for RRH to fill an identified gap, and program capacity.

Equal Access:

Organizations that operate homeless projects must ensure compliance with the Equal Access to Housing Final Rule. Any group of people that present together for assistance and identify themselves as a family, regardless of age, relationship, gender, or other factors, are a family and must be served together as such. Family members cannot be separated from other family members during their program stay. Projects may not limit housing and services to specific types of family compositions (e.g. women with children or married couples with children). In addition, emergency shelters and other segregated facilities must make their resources available to individuals and families without regard to actual or perceived sex, sexual orientation, or gender identity.

Housing First:

The Housing First model is a best-practice standard with the goal of reducing barriers to persons experiencing homelessness by providing placement into shelter/permanent housing first, and then providing supportive services to resolve barriers to maintaining housing. The approach is designed to serve the basic needs of the person before addressing or working to resolve complex barriers to housing stability. Core elements include, but are not limited to, no sobriety and minimum income requirements, and participation in services is voluntary and tenant-driven with service goals that emphasize engagement and problem-solving to retain housing or discharge from shelter.

Eligible Activities: CARES Act funding needs to be used by the emergency shelter project(s) to prevent, prepare for, and respond to COVID-19 and meet the needs of homeless persons.

Emergency Shelter*:

- 1) **Shelter Operations** - Funds to operate and staff an Emergency Shelter program including motel vouchers/alternative shelter housing and supportive service costs to provide limited case management, goal planning and permanent housing placement.
- 2) **Data Collection and Evaluation** - Costs associated with data collection/evaluation, including HMIS-related activities.
- 3) **General Administration** - General Administration funds limited to administration costs of the portion of the Homeless Crisis Response Program grant for Emergency Shelter activities.

Homelessness Prevention and Rapid Re-housing (RRH):

- 1) **Homelessness Prevention** – Financial assistance including rental assistance; rental application fees; rental arrears; security and utility deposits; utility payments; moving cost assistance and, in certain circumstances,

motel and hotel vouchers. Housing Relocation and Stabilization Services, which include case management; outreach and engagement; housing search and placement services; and credit repair, are also eligible.

- 2) **Rapid Re-housing** - Financial assistance including rental assistance; rental application fees; rental arrears; security and utility deposits; utility payments; moving cost assistance and, in certain circumstances, motel and hotel vouchers. Housing Relocation and Stabilization Services, which include case management; outreach and engagement; housing search and placement services; and credit repair, are also eligible.
- 3) **Data Collection and Evaluation** - Costs associated with data collection/evaluation, including HMIS- or comparable database activities.
- 4) **Administrative Costs** - Funds may be used for grant fund accounting, preparing reports, obtaining program audits, similar costs related to administering the grant during the grant's work completion period and staff salaries associated with these administrative costs. Administrative costs also include training for staff who will administer the program or case managers who will serve program participants, if this training is directly related to learning about the Homeless Crisis Response Program. Please note that requests for this line item cannot exceed 5% of the total grant request.

Matching Requirements: Match funds are not required for CARES Act funds.

Threshold Requirements:

- Proposals for emergency shelter activity funds must be included in the Regional Homeless Service Coordination Plan to be considered for funding.
- Applicants must be participating in the appropriate Homeless Management Information System (HMIS) or comparable database and meet minimum data quality standards. If not a current OCD grantee, applicants must agree to participate if awarded funding.
- Emergency shelter and rapid re-housing (RRH) activities must be targeted to households who are literally homeless.
- Homelessness prevention activities must be targeted to households at risk of imminent homelessness with the priority being persons who are in doubled-up or living in motel situations.
- Homelessness prevention and RRH programs must be targeted to households below 50% of area median income. Income verification and documentation are required at intake; however, income is not an eligibility factor for RRH assistance until 90 days after initial intake unless the region has a waiver from the OCD in which case it is one year after initial intake.
- Projects must include the following Housing First elements: low-barrier entrance requirements for income, sobriety, criminal history, and other limiting conditions. No drug/alcohol testing as a condition of eligibility. OCD may grant exceptions to individual projects funded as part of one-time funding of non-HCRP funded emergency shelters through the Region Leads.
- For youth shelters, the parent organization must be accredited by a recognized accreditation organization such as Council on Accreditation (COA), Commission on Accreditation of Rehabilitation Facilities (CARF), or The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or, be licensed by the Ohio Department of Job and Family Services (ODJFS) to provide emergency shelter for youth.

Rating Criteria (Emergency Shelter): The OCD will fund applications on an allocation basis.

Reduction of Grant Request: The OCD reserves the right to award grants at amounts lower than requested in the application or less than the amount listed in the allocation amounts provided with the application materials.

Program Amendments: Because grant awards are based on the projects proposed in the application, grantees receiving ESG-CV funds are discouraged from changing their approved projects. Grantees considering a change in program scope, location or design, number and type of beneficiaries, anticipated accomplishments or grant deadlines, must submit a Grant Amendment Request in OCEAN. The following exemptions exist for program budgets:

Formal OCD approval through the Grant Amendment Request in OCEAN and executing a grant amendment is required before making the changes. The OCD Amendment Policy is outlined in the OCD [Policy Notice 18-01: Grant Operations and Financial Management Policy](#). The OCD will consider amendment requests in application scoring during future funding rounds.

For Housing Stability grants, a formal grant amendment is only necessary when a grantee wishes to transfer funds into a restricted budget category (administration or data collection/evaluation). Non-restricted activities (homelessness prevention, RRH) are exempt from the standard 10% or \$5,000 threshold in determining the need for a budget amendment.

Application Submission: Applicants must submit applications for the CARES Act Program by 11:59 p.m. on June 22, 2020.

Grant Award Notification: Within one month after submission.

HOPWA-CV COVID19 Response Program

Goal: Through the federal CARES Act, Development will receive funding to provide assistance through the Housing Opportunities for Persons with AIDS (HOPWA) Program model. Funds provided under the CARES Act are to be used as additional funding to maintain operations, and/or rental assistance, supportive services, and other necessary actions, in order to prevent, prepare for, and respond to COVID-19.

Total Funds: Approximately \$238,430 for the balance of state and \$70,253 for the Dayton region in federal HOPWA Program funds.

Eligible Applicants: Private, nonprofit organizations incorporated with Ohio's Secretary of State and granted 501(c)(3) status by the Internal Revenue Service; and units of local government.

Grant Ceiling: The maximum grant request will be based on the percentage of funds received during the 2019 HOPWA award process with an increase of 10%.

Eligible Activities:

- Short-term rental, mortgage and/or utility assistance
- Referral to drug and alcohol abuse treatment and counseling
- Limited case management
- Food/nutritional services
- Activities of daily living
- Day care
- Transportation
- General administration
- Housing information services
- HMIS

Grantees may consider using the supplemental grant funds authorized under the CARES Act for activities such as:

- Stays at hotels, motels, or other locations to self-isolate, quarantine, or provide other infection control for HOPWA-eligible individuals or their family members;
- Providing transportation services for eligible households to access medical care, supplies, and food or to commute to places of employment;
- Assisting HOPWA-eligible households in accessing essential services and supplies such as food, medications, medical care, personal protective equipment (PPE) and information;
- Providing nutrition services for eligible households in the form of food banks, groceries, and meal deliveries;
- Educating assisted households on ways to reduce the risk of contracting or spreading COVID-19 to others; and
- Costs related to infection control measures such as cleaning and disinfectant supplies, gloves, PPE, and other safety-related supplies for staff and assisted households.

Equal Access: Homeless projects must ensure they comply with the Equal Access to Housing Final Rule. Any group of people that present together for assistance and identify themselves as a family, regardless of age or relationship or other factors, are a family and must be served together as such. Family members, regardless of age, gender, or other factors, cannot be separated from other family members during their program stay. Projects may NOT limit housing and services to certain types of family compositions (e.g. women with children or married couples with children).

Matching Requirements: These funds do not have a match requirement.

Program Period: OCD is considering awarding grants for a two-year period.

Reduction of Grant Request: The OCD reserves the right to award competitive grants at amounts lower than requested in the application.

Application Submission: The HOPWA-CV application submission deadline is 11:59 p.m. on July 20, 2020.

Grant Award: Approximately three weeks after submission.

CDBG-CV COVID-19 Response Programs

Economic Development Working Capital Loan Program

Goal: To create access to working capital on a community-wide basis for COVID-19-impacted businesses. Projects must create and retain permanent, private-sector job opportunities, principally for low- and moderate-income persons, through retaining business and industry in Ohio communities.

Total Funds: Up to \$1 million of funds allocated to the PY 2019 Economic Development and Public Infrastructure Grant Program

Grant Ceiling: Maximum of \$200,000 for direct loans; maximum grant ceiling includes project costs only. The OCD will evaluate the community's request during application review and reserves the right to reduce the award.

Eligible Jurisdictions: Non-entitlement cities and counties. Counties must apply on behalf of villages and townships; counties may also apply on behalf of cities within their jurisdiction. To limit creating new Revolving Loan Funds or in considering an applicant's administrative capacity, the OCD maintains the right to require counties to apply on behalf of cities when appropriate.

Revolving Loan Fund Participation: Local units of government will be required to disburse all existing Economic Development Revolving Loan Funds entirely prior to or in conjunction with submitting a funding application.

Eligible Activities: Eligible activities include providing financial assistance to private, for-profit entities (through eligible units of general local government) to carry out economic development projects directly and primarily related to retaining a business. Financing under the state CDBG Economic Development Working Capital Loan Program may cover payroll costs and monthly expenses, including payments on rent, mortgage, utilities, inventory, and other recurring monthly expenses deemed integral to the business. The amount and type of financial assistance provided to a project must be deemed appropriate with respect to the financial gap and the public benefit to be derived. Financing for working capital must be provided as a non-forgivable loan with a maximum 5-year term. Businesses must certify that working capital funds are not available from other public or private entities to qualify for assistance. The applicant's Revolving Loan Fund Board will determine interest rates, loan terms, and security requirements. Principal and interest payments may be deferred for six months with a six-month option to renew.

Ineligible Activities:

- Refinancing existing debt
- Financing a project suitable for the Economic Development Loan Program, where the primary goal is to provide gap financing for fixed assets
- Financing a project that involves relocating an industry or business from one area of Ohio to another. Exceptions will be made by the state on a case-by-case basis, but only if the relocation will create additional jobs, and the industry or business furnishes information to the state demonstrating that the industry or business could not continue to operate in the existing location. Also, the applicant community must send a letter (by certified mail) to the community from which the business is relocating, explaining the reasons for relocation. The letter must include the OCD's address and identify the OCD Economic Development Coordinator as the contact person.
- Financing speculative projects or buildings. Speculative buildings include those that do not have tenant commitments for more than 50% of the floor space or where project resources may not be sufficient to cover expenses.
- Community administrative costs

Prohibition on Assistance for Job-Pirating Activities: CDBG regulations prohibit providing assistance that will result in relocating a plant, facility or operation from one Labor Market Area to another, as defined by the OCD,

within three years of the assistance date, if such relocation will likely result in a significant job loss in the labor market area from which the relocation occurs. A significant loss is defined as losing 500 or more jobs, or 1/10th of 1% of the total labor force in the labor market area through job relocation; but in all circumstances, 25 or fewer jobs will not be considered a significant loss. Federal Register/Vol. 71, No. 100/May 24, 2006/Rules and Regulations/24 CFR Part 570/Prohibition on Use of Community Development Block Grant Assistance for Job-Pirating Activities. (Map 1 shows the OCD-defined labor market areas.)

Application Timing: Project applications will be accepted on a continuous basis, beginning July 1, 2019.

Application Review: Applications must be submitted through OCEAN, the OCD's web-based grants management system. The OCD will provide access to the applicant community in OCEAN after reviewing the pre-application. The OCD will review the application and provide a written response to the applicant community within 15 days of submission. A funding decision will be made within 15 days of receiving a complete application.

Communities are required to hold two public hearings before submitting a complete application to the state. The CDBG general public hearing may count as the first public hearing if the hearing includes information on the Economic Development Program.

Administrative Costs: Units of general local government receiving grants for Economic Development Working Capital Loan Program projects shall not use grant funds for general administration and implementation. Applicants may use existing Revolving Loan Fund dollars for administration if included in an approved application.

Repayment/Program Income: Under the PY 2019 Ohio State-Administered CDBG Program, funds awarded to units of general local government for economic development projects, and any subsequent program income generated, may not need to be repaid to the state, if the grantee expends all funds in the same manner as the activity (economic development) that generated the program income, provided that the local grantee has an existing and satisfactorily performing economic development Revolving Loan Fund. Funds that will be expended in a different manner must receive prior approval from the state. The state reserves the right to recapture local program income from communities that fail to adequately meet statutory and regulatory requirements. Any program income derived by the grantee through administering economic development funds must also be expended according to applicable federal and state statutory and regulatory requirements. Smaller units of government that do not have an ongoing grant relationship with the OCD, or an existing Revolving Loan Fund, will be required to arrange Revolving Loan Fund agreements with their county.

The OCD will evaluate the grantee's ability to effectively administer a local Revolving Loan Fund upon application approval. If OCD determines that the local Revolving Loan Fund is not being satisfactorily administered, collateral effectuation, promissory notes and loan repayments must be provided to the state. A determination on what constitutes a "satisfactorily administered" economic development Revolving Loan Fund is at the state's sole discretion.

Closing Binder: Applicants must submit an executed Closing Binder, including a loan agreement, low- and moderate-income (LMI) job commitments, and Revolving Loan Fund Board and local legal counsel approval. The OCD must acknowledge receipt of the Closing Binder before an applicant can draw or expend CDBG funds.

Number of Grant Awards: A community may receive one award up to a maximum of \$150,000 in a program year. A community may apply to receive additional CDBG assistance upon disbursing all awarded funds to eligible businesses in compliance with all requirements.

Local Program Benefit: At least 51% of the jobs created and/or retained must be taken by, or made available to, low- and moderate-income persons, as defined by the CDBG Program. Job creation attributable to the CDBG-supported project must take place within 12 months of the working capital loan disbursement.

If 51% of the jobs created and/or retained are not taken by low- and moderate-income persons, the business must document that at least 51% of the jobs created and/or retained were made available to low- and moderate-income persons. Please refer to OCD [Policy Notice 19-01: Job Creation Requirements for Community Development Block Grant Economic Development and Revolving Loan Fund Programs](#) for specific guidance on how to document job creation and job availability for low- and moderate-income persons.

Job Documentation: The business may utilize the Ohio Department of Job and Family Services (ODJFS) and obtain a certification from that agency that a minimum of 51% of the jobs created were for persons of low- and moderate-income households. **If ODJFS is not utilized, the business must maintain the following data on each employee hired or retained and each individual interviewed for a job:**

- 1) Person's name
- 2) Number of individuals in person's family
- 3) Total family income of the person being interviewed (this should be done as an above/below answer relating to the median family income for each family size)

If an employee resides or is employed in a census tract where 70% or more residents have incomes at or below 80% of the Area Median Income, the employee is presumed to be a low- and moderate-income person. Such a presumption can also be made if an employee lives in a census tract or block group where 20% or more of the residents are below the poverty level, or if the assisted business and the job under consideration are in a census tract or block group where 20% or more of the residents are below the poverty level. The same census tract criteria would apply to employees living in or employed in a federal empowerment zone or enterprise community.

Maps of jurisdictions qualifying as presumed benefit areas may be found on the [Economic Development Poverty and LMI Maps page](#) on OCD's Technical Assistance site.

This information, in either form, must be available in the community's program file to evidence meeting the CDBG national objective.

Program Amendments: Because grant awards are based on the project proposed in the application, Economic Development Program grantees are discouraged from changing their approved programs. The OCD will consider, on a case-by-case basis, only those changes that do not negatively impact the approved application's original review. Grantees considering a change in program scope, location or design, number and type of beneficiaries, anticipated accomplishments or grant agreement deadline, must notify the OCD in writing of the proposed changes. Formal OCD approval through the Grant Amendment Request in OCEAN and executing a grant amendment is required before making the changes. The OCD Amendment Policy is outlined in [Policy Notice 18-01, Grant Operations and Financial Management Policy and Procedures](#). The OCD will consider amendment requests in application scoring during future funding rounds.

Local Program Period: Economic Development grantees will be allowed up to 14 months to have PY 2019 grant(s) ready for closeout, beginning with grant agreement execution date. Within this allowable program period, the following deadlines must be met:

- 1) all activities must be completed by the end of the 12th month;
- 2) all funds must be drawn down by the end of the 13th month; and
- 3) all funds must be expended, the final performance report must be submitted, and the local program must be ready to be closed out by the end of the 14th month.

Grant audit(s) must be conducted in accordance with 2CFR200, as described in [Policy Notice 18-01, Grant Operations and Financial Management Policy and Procedures](#).

If a project will not be completed within the timeframe identified above, an alternative local program period must be requested when applying and approved prior to project commencement.

Appropriate Analysis: Under the Economic Development Loan Program, assistance is provided to private, for-profit businesses for eligible activities, where the assistance is appropriate to carry out an economic development project. To ensure that any such assistance is not unreasonably high, the state will conduct an analysis to determine that the amount of any financial assistance to be provided is not excessive, considering the business' actual needs in making the project financially feasible and the public benefit expected from the project.

Rating System Principles: An Economic Development Working Capital Loan Program application must meet minimum program thresholds and eligibility criteria. The Economic Development Loan Program application will

allow the OCD to determine a proposed project's feasibility and fundability. **Meeting minimum threshold requirements does not guarantee project funding.**

Program thresholds include the following:

- A project must create and/or retain at least one full-time, permanent job in the private sector;
- At least 51% of the full-time, permanent jobs created and/or retained must be taken by or made available to persons from low- and moderate-income households;
- The CDBG cost per job must not exceed \$5,000;
- The maximum loan per private for-profit entity must not exceed \$25,000

CARES Act Program:

Goal: The CARES Act Program provides funding for public service and facilities projects that address COVID-19 impacts. Funding for this program is available through supplemental Coronavirus Aid, Relief, and Economic Security (CARES) Act appropriations and must be administered according to all applicable federal and state laws and regulations.

Total Funds: Approximately \$25 million

Eligible Public Service Activities:

- Labor, defined as salaries and benefits for staff and contract employees;
- Equipment, supplies, and materials, purchased or leased;
- Facility operation and maintenance costs, limited to the portion of a facility in which an eligible public service is housed

Public Services:

- | | |
|---------------------------|--|
| • Child Care | • Services for Victims of Domestic Violence |
| • Down payment Assistance | • Drug Abuse Counseling and Treatment |
| • Education | • Senior Services |
| • Homeless Services | • Health Care |
| • Public Safety | • Job Training |
| • Transportation | • Emergency Assistance Payments for Rent, Mortgage, and Utilities* |

**Utilities must not be eligible for Percentage of Income Payment Plan Plus (PIPP) or Home Energy Assistance Program (HEAP) funding*

Eligible Public Facilities activities:

- Building or site rehabilitation

Public Facilities:

- | | |
|--------------------------|---|
| • Day Care Centers | • Domestic Violence Shelters |
| • Disaster Shelters | • Homeless Shelters |
| • Health Care Facilities | • Nursing Homes |
| • Libraries | • Senior Centers |
| • Public Schools | • Permanent Supportive Housing Facilities |

NOTE: Proposals that include both building rehabilitation, and labor, equipment or operation costs for the same entity must be qualified as two (2) separate projects. Applicants will submit a public facilities

project for building or site rehabilitation and a public services project for labor, equipment, or operation costs.

Grant Ceiling: Awards are negotiated based upon need, funding availability, and regional coverage.

Administrative Cost: Local governments may request funds for administration, up to 10% or \$50,000, whichever is less. Administration includes

- Citizen participation
- Application preparation
- Environmental review
- Directly implementing projects
- Subrecipient oversight
- Reporting
- Grant close-out

The OCD will evaluate the community's request during application review and reserves the right to award less than the requested amount.

Subrecipients:

Local governments may perform public service activities directly or enter into a subrecipient agreement with a community action agency, public health provider, or other nonprofit entity. Subrecipient agreements must be developed in accordance with **24 CFR 570.503** and **2 CFR 200.331**. Subrecipients must be solicited through a Request for Application process and provide a firm commitment prior to application submission. *Policy Notice 20-04: Use of Subrecipients for Public Services* outlines additional requirements.

Subrecipients may use up to 20% of the project award for activity delivery costs (ADC). ADC include carrying out activities identified in the application, income qualifying beneficiaries and reviewing duplication of benefits documentation.

Procurement:

Local governments must procure contractors for public facilities projects in accordance with state and federal thresholds. Davis-Bacon wage rates apply to construction projects in excess of \$2,000. Communities may not use force account labor for public facilities projects.

Eligible Jurisdictions: PY 2019 and PY 2020 Allocation Program counties and direct cities. Counties may apply on behalf of non-direct cities, villages, and unincorporated areas.

Local Program Benefit/National Objective: Communities must qualify public services projects under the HUD Ohio State Administered CDBG program National Objective of Low- and Moderate-Income (LMI) Area or Limited Clientele Benefit. Communities must qualify public facilities projects under the HUD Ohio State Administered CDBG program National Objective of Low- and Moderate-Income (LMI) Area, Limited Clientele or Housing Benefit.

Projects that do not demonstrate benefit to a specific presumed limited clientele class will be required to income qualify beneficiaries.

Application Timing: Project applications will be accepted on an open-cycle basis beginning June 10, 2020 through such time that OCD commits available funding.

Program Period: The program period will be determined through negotiations with the OCD. Grant audit(s) must be conducted in accordance with 2CFR200, as described in [Policy Notice 18-01, Grant Operations and Financial Management Policy and Procedures](#).

Program Income: Any program income resulting from CDBG-CV projects must be returned to the State of Ohio.

Duplication of Benefits: Local government grant recipients and/or subrecipients are responsible for ensuring the use of CDBG-CV funds do not result in a duplication of benefits. Grantees must develop and maintain procedures to prevent a duplication of benefits, this includes an assessment of other resources available for the same activities or beneficiaries, an evaluation of the need for grant funding, and an agreement with the subrecipient or beneficiaries to repay any assistance determined to be duplicative. *Policy Notice 20-05: CDBG-CV Duplication of Benefits Policy and Procedures* outlines additional requirements.

Application Procedures: An eligible community may apply for CARES Act Program funds at any time by submitting a written request from the Chief Executive Officer. The request for funds must include a brief project description, information on how the project addresses COVID-19 impacts, information on how the project meets a national objective, preliminary sources and uses table, and administration plan to the appropriate OCD Section Manager (i.e. Community Investments, Residential Revitalization or Supportive Housing). **Projects benefitting multi-county regions will receive priority.**

The OCD staff will conduct initial submission reviews and notify the community if a full application should be submitted. Eligibility for CDBG assistance does not guarantee project funding.

OCD will not consider assistance for public facilities projects that commence prior to issuing a grant agreement. OCD will consider reimbursable costs for public services activities on a case-by-case basis. At no time will costs incurred before March 9, 2020 be considered.

All projects must be clearly designed to prevent, prepare for or respond to the COVID-19 pandemic.

Rating System Principles:

- Funds are not available from any other source, including CARES Act funding through other agencies, and/or the requested funds fill a “gap”
- Funds are in emergency response to COVID-19 and/or address long-term COVID-19 impacts
- Funds are needed to make the project financially feasible
- Project benefits multiple counties and demonstrates a regional impact
- Project is eligible and meets at least one of the CDBG national objectives
- Project furthers the State of Ohio’s investment objectives

Program Year (PY) 2019 Ohio Consolidated Plan Annual Action Plan Substantial Amendment (CARES Act) Public Hearing Notice and 5-Day Comment Period Comments and Responses

Due the COVID-19 state of emergency, the Ohio Development Services Agency (Development) allowed interested parties to submit written testimony via email to ocd@development.ohio.gov any time during the public comment period between May 25, 2020, and June 1, 2020. Interested parties were able to submit comments via email ocd@development.ohio.gov by 11:59 p.m. on June 1, 2020.

The PY 2019 Annual Action Plan Substantial Amendment (CARES Act) Virtual Public Hearing was held on May 26, 2020 @10:30 a.m. [Via Webex](#) and via phone: 1-408-418-9388, access code: 710 600 094. The general public was notified through the OCD Weekly Digest – May 21, 2020, through posting at https://development.ohio.gov/cs/cs_ocp.htm and through Media Release at <https://development.ohio.gov/DSACalendar/>.

Attendance

FirstName	LastName	Company	FirstName	LastName	Company
Tim	Allen	ODSA	Joshua	Johnson	COHHIO
Douglas	Argue	COHHIO	shaulonda	jones	lisc
Hannah	Basting		katie	kitchin	
Carlie	Boos	Affordable Housing Alliance of Central Ohio	Dirk	Lackovich-Van Gorp	Clark County Community & Economic Development
Graham	Bowman	Ohio Poverty Law Center	Tiffany	Laffitte	ODSA
Elaina	Bradley	IHN	Matthew	LaMantia	ODSA
Lisa	Brooks	COHHIO	Susan	Laux	
Angela	Brown	City of Kettering	Tamara	Laytart	
Amy	Bullard	ODSA	Sally	Luken	Luken Solutions
Brooke	Campbell	Area Agency on Aging, Region 9	Emily	Lundgard	Enterprise Community Partners, Inc.
Michael	Caniglia	COHHIO	Wendy	McCormick	Habitat for Humanity of Findlay/Hancock County
Nicholas	Coggins	Trumbull County Planning Commission	Kate	Monter Durban	CHN Housing Partners
Kelan	Craig	Ohio Housing Finance Agency	Ian	Nickey	
Phyllis	Dunlap	CT Consultants, Inc.	Mary	Oakley	ODSA
Clarissa	Epps	B.R.E.A.D. Organization	Lena	Osborne	ODSA
Mike	Fraizer	ODSA	Shannon	Prince	ODSA
Shana	Garrett	ODSA	Barbara	Richards	Office of Community Development
Scott	Gary	state of Ohio	jotika	shetty	Richland County Regional Planning Commission
margie	glick	Lutheran Metropolitan Ministry	Rachel	Strasinger	YWCA of Greater Cincinnati
Alison	Goebel	Greater Ohio Policy Center	Jeffrey	Sugalski	Burten, Bell, Carr Development, Inc.
Rachel	Grass		Janice	Switzer	Ashtabula County Community Services & Planning
Heather	Hall	Integrated Services for Behavioral Health	Ian	Thomas	ODSA
Retha	Hensley	Wyandot County Commissioners Office	Maria	Walliser-Wejebe	Greater Ohio Policy Center
Angie	Hetrick		Mary	Westfall	
Frederick	Hindman	Buckeye Hills Regional Council	Noel	Williams	BREAD
Beth	Holten	Interfaith Hospitality Network of Greene County	Gina	Wilt	COHHIO
Jared	Jodrey	Ohio Development Services Agency	Leigh	Zydonik	Center For Civic Engagement

Comments and Responses

Comment #1

Casey R. Kozlowski, Ashtabula County Commissioner

I am encouraging the Office of Community Development to provide a micro-enterprise grant activity program to assist small businesses with working capital as they navigate the difficulties of the COVID-19 crisis as well as the proposed loan program. This would be very beneficial to local business as they grapple with financial difficulties during this time. I appreciate you listening to my concerns.

Response #1

The Office Community Development partners with the Ohio CDC Association (OCDCA) to administer a state-wide microenterprise program through the Ohio Housing Trust Fund (OHTF). OCDCA's program is structured to provide technical assistance and loan funds to microbusinesses through sub-grants to Community Development Corporations. OCDCA's current program runs through the end of 2020. OCDCA has applied for a SFY 2021 award to continue the program.

OCD has also developed a working capital loan program to assist small COVID19-impacted businesses create and retain permanent, private sector jobs. This program provides funds to communities to establish a working capital loan fund. Grants are capped at \$200,000. Communities must exhaust local CDBG Revolving Loan Funds (RLF) prior to or in conjunction with an application. Qualifying businesses must create/retain at least one full time equivalent position, with a \$5,000 per job and \$25,000 per business caps. Requirements mirror modifications made to the local RLF program; 0% interest loans, 6-12 month principal and interest deferral, and loan terms up to 5 years.

Comment #2

Sarah Bogardus, Executive Director, Ashtabula County 503 Corporation

I would encourage the Office of Community Development to provide a micro-enterprise grant activity to assist small business with working capital to help them survive the COVID crisis as well as, the proposed loan program. Thank you for your consideration.

Response #2

The Office Community Development partners with the Ohio CDC Association (OCDCA) to administer a state-wide microenterprise program through the Ohio Housing Trust Fund (OHTF). OCDCA's program is structured to provide technical assistance and loan funds to microbusinesses through sub-grants to Community Development Corporations. OCDCA's current program runs through the end of 2020. OCDCA has applied for a SFY 2021 award to continue the program.

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Comment #3

Eddy Eckart, Executive Director, Ashtabula County Land Reutilization Corporation

As the Director of the Ashtabula County Land Bank, I have an opportunity to see firsthand the impact a struggling economy has on communities. Small, community-oriented businesses need every opportunity they can get to help pull themselves out of the challenges that COVID-19 has created. A micro-enterprise grant, like those that have been created in Summit, Cuyahoga, and Lake Counties (among many others across the state), would be one more asset to help these businesses recover without the additional burden of future debt. With this in mind I

would encourage Office of Community Development provide, in addition to the proposed loan program, a micro-enterprise grant program to assist small business with working capital to help them survive the COVID-19 crisis.

Response #3

The Office Community Development partners with the Ohio CDC Association (OCDCA) to administer a state-wide microenterprise program through the Ohio Housing Trust Fund (OHTF). OCDCA's program is structured to provide technical assistance and loan funds to microbusinesses through sub-grants to Community Development Corporations. OCDCA's current program runs through the end of 2020. OCDCA has applied for a SFY 2021 award to continue the program.

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Comment #4

Janice Switzer, Director, Ashtabula County Community Services & Planning

Thank you for providing an opportunity to comment. I would have liked to see that the Economic Development Working Capital Loan Program would be allowed to have a forgivable allowance if the jobs retained were retained for a set period of time. Unless you are inferring that in that the local Revolving Loan Fund Board will determine loan terms.

There was an inconsistency with the draft amendment and the information presented during the hearing. The draft amendment for the Target of Opportunity COVID-19 Response Program states that applications will be accepted beginning on June 10, 2020 on an open-cycle basis, but the slides stated that the program has an application deadline of June 15, 2020. Please clarify this.

I have some questions regarding public service activities. Will OCD provide guidance on eligible activities or should we contact our field representative?

Response #4

OCD's Economic Development Working Capital Loan Program allows for loan terms up to 5 years with a principal and interest deferral of 6 months and a 6-month renewal option. Loan rates are to be set by the RLF Board. The RLF Board may also set a shorter loan term and collateral requirements.

OCD will accept pre-applications for the Target of Opportunity COVID19 Response Program starting June 15, 2020. Pre-applications will be accepted until all of the funds are awarded. OCD will develop a pre-application template. Applicants must identify the applicant community and administrator, provide project description, national objective, and COVID19 response narratives, and a draft budget. OCD will review pre-applications and open a full application in OCEAN if it is determined the project complies with program guidelines and the State of Ohio's investment objectives.

OCD's Policy Notice: 19-06, which is available on the technical assistance website, provides guidance on public service activities. Guidance on public services eligible under the Target of Opportunity COVID-19 Response Program will be provided after program rules are established.

Comment #5

Director Lydia Mihalik
Ohio Development Services Agency
77 South High Street
Columbus, Ohio 43215
Via email to ocd@development.ohio.gov

Public Comment on Program Year 2019 CARES Act Substantial Amendment
Tuesday, May 26, 2020

Good morning, I'm Emily Lundgard, State and Local Policy Director for Enterprise Community Partners. Enterprise is a national affordable housing and community development organization. We have market offices across the country, including our Ohio office, based here in Cleveland. As a proven and powerful national nonprofit, we bring together nationwide know-how, partners, policy leadership and investment to multiply the impact of local affordable housing development.

Thanks for the opportunity to speak to the CARES Act substantial amendment today. I'm here to underscore the need to expressly allocate a significant portion state's share of CARES Act CDBG funding to rental assistance.

Prior to COVID-19, housing instability in Ohio was on the rise. One in four Ohio renters were already housing insecure, just one crisis away from making toxic tradeoffs between rent or medicine, rent or food. COVID-19 has only exacerbated this housing instability.

We are already starting to see the effect in Cleveland. During the first three weeks of the COVID-19 crisis, our local United Way 2-1-1 helpline saw a 250% increase in requests for rent and mortgage payment assistance.

Our local affordable housing providers are seeing the same impact. In their unsubsidized housing, homes where working families are trying to make ends meet, they have already reported experiencing anywhere from 15-25% rent delinquency rates due to unemployment or income loss.

In Cleveland and Cuyahoga County, work is underway to stem this impending tide. Locally, we are building a rental assistance program to help those in the most need. We are building a system where there is a single front door to assistance. Depending on one's circumstance then, we can use different types of funding sources, like locally-awarded CARES Act CDBG or ESG funding, or existing local resources.

Unfortunately, this rental assistance program will not come close to meeting the need, particularly when you consider things like rent arrearages. The program will target those in the

[ENTERPRISE COMMUNITY PARTNERS, INC.](http://www.EnterpriseCommunity.org)
1360 E. 9th Street ■ Suite 510 ■ Cleveland, OH 44114 ■ 216.631.0280 ■ www.EnterpriseCommunity.org

Response #5

The Community Development Block Grant (CDBG) Program allows for Emergency Monthly Housing Payments, defined as mortgage, rent, and utility payments for low- and moderate-income households. Assistance is capped at 3 months and payments must be made directly to the service provider on behalf of the LMI household. LMI is defined as 80 percent of area median income. Income requirements vary by county and household size and third party documentation of income is required. OCD is working with stakeholders to assess statewide needs in response to COVID19 and will incorporate stakeholder feedback in its program design.

Comment #6

May 27, 2020

Office of Community Development
Ohio Development Services Agency
77 S. High Street, P.O. Box 1001
Columbus, OH 43215-1001
Attention: Ian Thomas

RE: Draft PY2019 Coronavirus Aid, Relief, and Economic Security (CARES) Act Annual Action Plan Substantial Amendment

Dear Mr. Thomas,

COHHIO appreciates the opportunity to provide public comments related to the Draft PY2019 Coronavirus Aid, Relief, and Economic Security (CARES) Act Annual Action Plan Substantial Amendment.

The economic ramifications of the COVID-19 pandemic have rocked Ohio's renters with the financial equivalent of a seismic shock, causing job losses in 700,000 renter households. Layoffs have disproportionately affected low-wage workers who were already struggling to maintain stable housing before the coronavirus reached Ohio. The intensity and projected longevity of the crisis threaten to drive housing insecurity to levels not seen since families huddled together in shanty towns during the depths of the Great Depression. The economic fallout from COVID-19 threatens to overwhelm the state's homeless system as evictions resume and expanded unemployment benefits expire. A surge of homeless Ohioans is especially problematic during a public health crisis requiring aggressive social distancing measures.

Ohio's emergency shelter providers have so far successfully prevented major outbreaks that we now see in many other states, but their resources are dwindling while they continue waiting for federal relief that remains uncertain. COHHIO estimates that homeless service providers will require a monthly minimum of \$3.7 million to support non-congregate sheltering costs alone. Several shelters have relied on the flexibility of ESG funds to cover non-congregate sheltering costs due to shelter deconcentration, isolation, and quarantine needs. While these providers await potential reimbursement from other federal sources, ESG-CV funds will be needed to fund housing stability services as housing insecurity spreads.

In the first section of comments, COHHIO offers recommendations directly related to the action plan substantial amendment released on May 25, 2020. We have structured these comments to correspond to the ESG-CV COVID-19 and CDBG Target of Opportunity COVID-19 Response Programs. In the second section, COHHIO outlines its broader recommendations for the



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www.cohhio.org

allocations of CARES Act funding by ODSA with an overriding focus on emergency rental assistance to stabilize unemployed tenants facing the prospects of eviction and homelessness during a pandemic. While CDBG funding would address only a fraction of the need for rental assistance, until Congress approves a substantial emergency rental assistance program, CDBG funds are one of the few resources available. Utilizing CDBG funds for rental assistance offers a mechanism to build out a bolder state response that is more proportionate to the multifaceted crises of a spreading pandemic and the resulting economic shutdown that has pushed over 1.25 million Ohioans, or about 22% of the state's civilian labor force to file for unemployment.

ESG-CV

1. On page 3 under the section "Total Funds Available," the amendment outlines the use of an anticipated \$21,324,293 in PY 2020 federal CARES Act ESG-CV funds, and states the following: "Funds will be awarded in two rounds..." However, only one round of funding is outlined in the section. COHHIO requests that the department release information about the second round and its related funding in order to provide better informed comments on the current proposal.
2. Related to the same section as above, the total of ESG-CV outlined for distribution only totals \$16 million. COHHIO would like to know what ODSA plans to do with the remaining \$5.3 million in funding.
3. COHHIO supports the use of these ESG funds for distribution through the Ohio Domestic Violence Network. Having worked closely with ODVN over the course of this pandemic, COHHIO is aware of the need that exists for this special population and has provided resources to several of the domestic violence programs and to ODVN directly in response to the needs produced by the COVID crisis.
4. We are encouraged that ODSA continues to expect programs to meet Equal Access, Housing First and Data Collection standards, including domestic violence programs. *While Housing First and HMIS (or equivalent) is a threshold, COHHIO recommends that Equal Access also be a threshold requirement.*

Future ESG Resources

Using ESG-CV for short-term rental assistance, housing relocation and stabilization services, mediation and other housing services, COHHIO recommends the following activities to assist moving households from emergency shelters into long-term, stable housing for at least the next 18 months.

Priority 1: IMMEDIATE AND TARGETED HOMELESSNESS PREVENTION

- Identify and support people who are currently living in permanent supportive housing or rapid rehousing programs and have become unemployed;
- Identify and support people who have exited permanent supportive housing or rapid rehousing programs over the past 3 years and have become unemployed or otherwise impacted by COVID-19.

Priority 2: INCREASED AND BROADENED EVICTION/HOMELESSNESS PREVENTION

- Scale practices and resources to strengthen activities and increase capacity, including tailoring support for households whose support networks have fewer resources.

- Build collaborations with other anti-poverty and housing assistance organizations focused on extremely low-income households to offer a range of assistance to deepen homeless and eviction prevention services.
- Target those with lowest incomes (0-30% of AMI) and at greatest risk of losing their housing. Eligibility should be determined by income at the time of application.
- Ensure prevention funding is being provided to community-based organizations and/or non-traditional partners best able to reach into highly impacted communities.

Priority 3: RAPID RE-HOUSING AND HOUSING RELOCATION

- Scale new investments into permanent housing options by focusing on re-housing people from unsheltered locations, congregate, and new COVID-19 non-congregate facilities; modify coordinated entry policies and protocols as necessary.
- Increased outreach activities in rural and suburban areas may be necessary to ensure unsheltered locations are sufficiently identified and incorporated into re-housing efforts. Existing ESG and RRH projects could serve as bases for outreach services. ODSA should prioritize outreach that leads to quick re-housing.
- These activities should be focused on moving people out of shelters and into permanent housing. In light of the pandemic, ODSA should support alternative shelter spaces that encourage social distancing.

Additional activities could include:

- One-shot financial assistance (housing application/search plus initial move-in costs)
- Short- and medium-term assistance based on need
- Bridge to permanent housing

CDBG Target of Opportunity

ODSA's proposed allocation for the additional \$26 million in CDBG that Ohio received for its COVID-19 response largely mirrors the same broad range of purposes for which these funds are invested during normal circumstances. Given the public health crisis, the resulting mass unemployment, and the critical role of secure housing for containing the spread of COVID-19 – we are disappointed that ODSA did not take the opportunity to focus these resources on rental assistance for Ohioans facing eviction, imminent homelessness, or trying to move from homelessness into permanent housing.

1. Because of the failure to adequately focus on rental assistance in the substantial amendment, COHHIO urges ODSA to target the majority of available CDBG funds toward rental assistance. The funds would ease the looming surge in housing insecurity caused by courts lifting moratoriums on eviction proceedings as expanded unemployment benefits expire in July. Just today, local eviction hearing have resumed today but will take place at the Columbus Convention Center to better manage the large crowds of people that are anticipated.
2. Additionally, ODSA should provide more strategic and focused direction for local entities investment of CDBG. We recommend the agency state that priority among CDBG-CV-eligible activities will be granted for rental assistance to residents at or below 30% AMI, assessed at the point of application. In anticipation of HUD guidance yet to be released, ODSA should further assert that rent arrearages are allowable. If guidance fails on this point, we request that ODSA seek a HUD waiver to this effect.

3. COHHIO was disappointed to read that entitlement areas would be excluded in the substantial amendment from these funds. We encourage ODSA to rethink this position and include them as a potential recipient.
4. Due to the reality that many local nonprofit agencies already have expertise administering rental assistance programs, and local governments are experiencing decreased capacity to implement new initiatives, ODSA should use their existing network of non-profit grantees to administer these CDBG resources. ODSA should seek a waiver from HUD to allow for direct contracting with non-profit organizations to carry out the administration of rental assistance and related activities.
5. Finally, ODSA should encourage programs to target specific populations hardest hit by COVID-19. These include communities historically neglected and marginalized, such as people of color, immigrants, extremely low-income, and other highly at-risk populations.

Future \$37 Million CDBG Resources

We urge ODSA to invest these resources for an Ohio Emergency Rental Assistance Program as follows:

1. Use CDBG-CV state-set-aside for Emergency Rental Assistance using a minimum of \$37 million to begin addressing the need created by economic dislocation during the pandemic.
 - Up to 10% dedicated to costs related to processing payments with the landlords/tenants and other administrative costs;
 - Three months of rent payments only (unless longer term assistance is permitted by HUD);
 - Approximately 15,000 households or more to be assisted;
2. Serve the neediest – given limited resources, extremely low-income families should gain preference for assistance.
 - ODSA should limit eligibility to those earning below 30% of area median income at the time of application – approximately \$22,150 for a family of four based on statewide data;
 - ODSA could develop a lottery system or a similar process for local partners to utilize to help prevent bias or discrimination from impacting rental assistance allocation decisions.
3. ODSA should use a HUD waiver request of 42 U.S.C. 5306(d) to sub-grant to regional non-profit providers who:
 - demonstrate expertise in distributing rental assistance;
 - show evidence of strong collaboration with other agencies in operating eviction prevention activities, and;
 - provide other funds from local government, philanthropy or other federal funds, such as local CDBG-CV funds, CSBG, Coronavirus Relief Funds provided to local governments or other sources.
4. ODSA should allow organizations operating within CDBG entitlement communities to apply for this emergency rental assistance program provided that matching funds are leveraged.
 - In its waiver, ODSA could argue that directly funding local entities would help it deliver rental assistance faster and would help to take advantage of leveraging other resources.

- ODSA would have to monitor for compliance with program eligibility and fraud prevention.

The coronavirus crisis demands that ODSA invest CDBG-CV, ESG-CV and Coronavirus Relief Funds to implement an impactful rental assistance program to support housing-insecure renters and ease overcrowding in the state's homeless shelters. Families can practice social distancing more effectively in their own housing units than when in emergency shelters or doubled-up with other families. As the COVID-19 crisis stretches from weeks into months, rental assistance will help some of the state's most distressed households remain safe at home during a period of uncertainty.

COHHIO anticipates that these CARES Act funds will be rapidly depleted by high demand. State officials should seek additional funds to expand housing assistance and anti-homelessness efforts. While it is beyond the scope of the current plan amendment, Ohio must consider bolstering the CDBG-CV rental assistance allocation with additional funding from the state's Coronavirus Relief Fund. ODSA should provide critical leadership as federal, state and local officials explore new options to address rising housing insecurity at a time when Ohioans' health and lives depend on having a place to stay at home. Thoughtful investments during the current crisis will pave the road toward a safe, equitable recovery undergirded by widespread housing security.

Thank you again for the opportunity to participate. We are happy to discuss these items with you at your convenience and we look forward to promoting utilization of these important additional resources for the state.

Sincerely,

Bill Faith
Executive Director

Response #6

The Community Development Block Grant (CDBG) Program allows for Emergency Monthly Housing Payments, defined as mortgage, rent, and utility payments for low- and moderate-income households. Assistance is capped at 3 months and payments must be made directly to the service provider on behalf of the LMI household. LMI is defined as 80 percent of area median income. Income requirements vary by county and household size and third party documentation of income is required. OCD is working with stakeholders to assess statewide needs in response to COVID19 and will incorporate stakeholder feedback in its program design.

Comment #7

LISC Toledo Statement on Rental Assistance

LISC Toledo is a local office of a national community development financial institution, providing capital, credit enhancement, and technical assistance to bring development projects and programs to underinvested communities.

As in many markets, renters in the Toledo area were already struggling prior to the pandemic. Workers in Lucas County needed to work 69 hours per week to afford rent on a two bedroom apartment, and a quarter of renting households were paying more than half their income toward rent.

The City of Toledo recently announced an Emergency Rental Assistance Fund that will pay rent for approximately 700 households for three months. The program received more than 700 inquiries within 24 hours after it was announced, before the application was even made available. Data from 2015 showed more than 26,000 cost-burdened rental households in Lucas County, also suggesting that assistance for 700 households would be insufficient to meet the pre-pandemic need, let alone increased needs today. The state government can help strengthen these local efforts.

Response #7

The Community Development Block Grant (CDBG) Program allows for Emergency Monthly Housing Payments, defined as mortgage, rent, and utility payments for low- and moderate-income households. Assistance is capped at 3 months and payments must be made directly to the service provider on behalf of the LMI household. LMI is defined as 80 percent of area median income. Income requirements vary by county and household size and third party documentation of income is required. OCD is working with stakeholders to assess statewide needs in response to COVID19 and will incorporate stakeholder feedback in its program design.

On a much smaller scale, Development can provide homelessness prevention assistance if persons are at imminent risk of homelessness...not just losing their housing.

Homelessness Prevention and assistance to Emergency Shelters are eligible under the CDBG program. OCD is working with stakeholders to assess statewide needs in response to COVID19 and will incorporate stakeholder feedback in its program design.

Comment #8

Noel Williams Building Responsibility Equality And Dignity (BREAD)

During the Public Hearing on the PY2019 Annual Action Plan Substantial Amendment Ms. Williams indicated that emergency rental assistance is desperately needed. Ms. Williams requested that Ohio Development Services utilize CDBG funding for emergency rental assistance in Franklin County and the city of Columbus.

Response #8

The Community Development Block Grant (CDBG) Program allows for Emergency Monthly Housing Payments, defined as mortgage, rent, and utility payments for low- and moderate-income households. Assistance is capped at 3 months and payments must be made directly to the service provider on behalf of the LMI household. LMI is defined as 80 percent of area median income. Income requirements vary by county and household size and third party documentation of income is required. OCD is working with stakeholders to assess statewide needs in response to COVID19 and will incorporate stakeholder feedback in its program design.

Comment #9

COVID-19 Rental Assistance Program

May 15, 2020

rev. 5/26/20 with new co-signatures

Director Lydia Mihalik
Ohio Development Services Agency
77 South High Street
Columbus, Ohio 43215

CC:

- Matt Peters, Assistant Director, ODSA
- Mike Frazier, Division Chief, ODSA - Community Services Division
- Matt LaMantia, Deputy Chief, ODSA - Office of Community Development
- Lt. Governor Husted

Dear Director Mihalik:

The undersigned write to urge the Ohio Development Services Agency to help us mitigate the housing crisis barreling down on Ohio. Eviction and foreclosure moratoriums, as well as supplemental unemployment benefits have delayed widespread housing instability. But these crisis response measures will expire soon, leaving millions of low- and moderate-income Ohioans vulnerable to losing their home, risking greater economic instability and a resurgence in infections just as cooler fall weather arrives.

In light of the impending housing crisis, we respectfully request ODSA create a Rental Assistance Program and establish an Advisory Council to help guide an informed, responsive solution.

In the short term, we recommend ODSA:

- **Allocate \$50 million to seed a Rental Assistance Program** (\$34M in CDBG-CV2 + \$16M in CDBG-CV1), which would be **administered by the Ohio Housing Finance Agency**.
- **Disburse the \$50 million between now and December 31, 2020.** This will provide emergency relief to COVID-impacted Ohioans who have eviction cases currently pending in court, and to many who will face housing instability after moratoriums and supplemental unemployment benefits expire.
- **Establish an Advisory Council** that includes housing advocates, policy analysts, non-profit and private-sector property owners and managers, local government and local court officials. The Council will quickly advise on issues such as applicant eligibility and funding distribution methods. An Advisory Council also ensures all perspectives are considered and protects against the missteps that Gov. DeWine warned about when policymakers “didn’t have enough information, didn’t talk to the right people, didn’t drill down to get all the facts.”

While we hope that there will be federal assistance soon, it is critical that Ohio begin providing relief now. In seeding a Rental Assistance Program, ODSA won't just bridge the short-term gap, it will create and refine a programmatic apparatus that will seamlessly distribute any additional dollars, should they become available, such as federal funds allocated through the Coronavirus Relief Fund and/or pending proposals from Senators Brown and Portman.

In 2018, more than a half million renting households in Ohio were housing cost burdened, paying more than 35% of their income to rent (ACS 2018 1-year). COVID-19's long-term economic and health fallout will exponentially increase housing insecurity, particularly among low- and moderate-income families. This will have wide-ranging implications. When rent cannot be paid, the impact ripples through property owners to the property tax system and schools, mortgage lenders, insurance providers, utility operators, maintenance workers, and networks of property management employees and contracted small businesses.

As such, it is urgent that our state be prepared with a smart Rental Assistance Program.

The undersigned are members of the [Affordable Housing Learning Exchange](#) and other statewide membership organizations representing over 200 local community development groups. We are ready and prepared to provide input on how to structure a high-impact, effective rental assistance program.

We thank you for all you are doing to help Ohio through this difficult and unprecedented time. For more information about the above provisions, please contact [Carlie Boos](#), [Emily Lundgard](#), or [Alison Goebel](#) — co-chairs of the Affordable Housing Learning Exchange Working Group on Emergency Housing Assistance.

Sincerely,



Carlie Boos, Executive Director
Affordable Housing Alliance of Central Ohio



Emily Lundgard, Program Director, State & Local Policy, Ohio
Enterprise Community Partners Inc.



Alison Goebel, Executive Director
Greater Ohio Policy Center

Signatories continued...



Nathan Miner, Executive Director
NeighborWorks Collaborative of Ohio



Scott Williams, CEO
Ohio REALTORS



Kevin Nowak, Executive Director
CHN Housing Partners



Linda Warren, President
New Village Corporation



EJ Thomas, Executive Director
Habitat for Humanity MidOhio



Leigh Zydonik, Executive Director
Center for Civic Engagement - Findlay



Kathy Schwab, Executive Director
LISC Greater Cincinnati



Kimberly Cutcher, Executive Director
LISC Toledo



Nate Coffman, Executive Director
Ohio CDC Association



Graham Bowman, Attorney
Ohio Poverty Law Center



Stephanie McHenry, Executive Director
Cleveland Neighborhood Progress



Bruce Luecke, President and CEO
Homeport



Wendy McCormick, Executive Director
Habitat for Humanity of Findlay/Hancock County



Katherine Kreuchauf, President and CEO
Findlay-Hancock County Community Foundation



Morag Adlon, Loan Officer
Cincinnati Development Fund

Response #9

The Community Development Block Grant (CDBG) Program allows for Emergency Monthly Housing Payments, defined as mortgage, rent, and utility payments for low- and moderate-income households. Assistance is capped at 3 months and payments must be made directly to the service provider on behalf of the LMI household. LMI is defined as 80 percent of area median income. Income requirements vary by county and household size and third party documentation of income is required. OCD is working with stakeholders to assess statewide needs in response to COVID19 and will incorporate stakeholder feedback in its program design.

Comment #10



Director Lydia Mihalik
Ohio Development Services Agency
77 South High Street
Columbus, Ohio 43215
Via email to ocd@development.ohio.gov

RE: Written Transcript of Public Comment Testimony, CDBG-CV Substantial Amendment

Dear Director Mihalik,

Please find below a transcript of the public comments offered by the Affordable Housing Alliance of Central Ohio (AHACO) at the Substantial Amendment public hearing hosted on May 26, 2020 concerning the Community Development Block Grant funds appropriated in the CARES Act. AHACO members are twenty-one non-profit and for-profit organizations that represent the full spectrum of affordable housing activities in Franklin County, from homeless and housing services, to housing development and housing finance. Working together, we are advancing solutions to address the affordable housing challenge, which will support economic progress and strengthen the community.

Good morning, my name is Carlie Boos. I am the executive director of the Affordable Housing Alliance of Central Ohio and, in that capacity, a member of the Affordable Housing Learning Exchange. In Franklin County, housing was in a crisis state before the pandemic hit. We had 54,000 low-income residents who were paying more than half of their income towards housing. There were only 29 affordable and available housing units for every 100 households that needed it. That wasn't sustainable and the coronavirus further revealed the deep housing insecurity felt in our region.

Today, Columbus has over 1,000 evictions in the queue waiting for the court to reopen and many more are expected to be filed when the stay is lifted. Hearings now need to be held in the convention center in batches of one hundred per day to process the backlog.

In last month's affordable housing survey, AHACO found that 70% of responding housing professionals were experiencing reduced funding streams and lower operating income, largely due to unprecedented rent arrears. In workforce housing communities, 20-30% of tenants were unable to pay their April rent by the 10th of the month. This comes at a time when housing providers are shouldering increased sanitation and health costs to keep homes safe.

While the economic stimulus payments and federally enhanced unemployment may provide some temporary relief to families, those provisions will be sunseting just as the cooler fall air threatens a resurgence in the virus.

We know this flood of non-payments and evictions has dire consequences outside the housing market, too. Most critically, mass displacements will aggravate a precarious health situation, exposing countless Ohioans to the virus while overwhelming the homelessness response system. This is neither the safest nor most economical way of responding to a housing emergency.

360 South Third Street, Columbus OH 43216 / 614.344.5027 / www.ahaco.org

Response #10

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Comment #11



May 29, 2020

Office of Community Development
Ohio Development Services Agency
77 S. High Street, P.O. Box 1001
Columbus, OH 43215-1001
ATTN: Mike Frazier

Re: Comments on the CARES Act Annual Action Plan Substantial Amendment

Dear Mr. Frazier et al:

Thank you for the opportunity to comment on the State of Ohio's CARES Act Annual Action Plan Substantial Amendment. CSH has worked with Ohio state and local partners for the past 15 years to address the housing needs of our most vulnerable neighbors. We are deeply concerned about the impact of COVID-19 on the health and wellbeing of so many in our community, and especially those with complex health and behavioral health challenges, who have recently left or avoided homelessness through publicly-funded housing interventions.

While \$49 million is a significant investment, it is in no way sufficient to meet the needs of housed households who have lost their jobs and are unable to pay rent. The National Low Income Housing Coalition estimates some \$76 billion is needed to avoid homelessness among very low income renters across the country, which would translate to more than \$2 billion in Ohio.

Given this difficult situation, CSH recommends a targeting strategy for prevention and rapid rehousing funds through CDBG-CV, and ESG-CV program that would focus resources on those most likely to enter or return to homelessness and those most likely to remain homeless absent significant intervention.

Specifically, CSH recommends that the state prioritize the following groups for homeless/eviction prevention:

- Households who previously experienced homelessness in the past 24 months, or received publicly-funded housing assistance to avoid entering shelter;
- Households headed by an individual who has been incarcerated in the past 24 months;
- Households that were subject to an investigation by the Department of Children's Services in the past 24 months.

For currently homeless individuals, CSH recommends the following:

- House long-term homeless or high need individuals and households who score the highest on local assessment instruments by utilizing the full breadth of ESG and CDBG rental assistance options. These individuals can be housed now and up to 24 months, with appropriate levels of services provided while awaiting a PSH vacancy.
- Maintain or increase contributions to the Housing Trust Fund for developing new supportive housing units. COVID-19 has drawn needed attention to the severe gap in housing resources for our neighbors experiencing homelessness. Housing is a public health response and we must ramp up the pipeline of new projects to address the severe shortage of affordable and supportive housing.

Response #11

The Community Development Block Grant (CDBG) Program allows for Emergency Monthly Housing Payments, defined as mortgage, rent, and utility payments for low- and moderate-income households. Assistance is capped at 3 months and payments must be made directly to the service provider on behalf of the LMI household. LMI is defined as 80 percent of area median income. Income requirements vary by county and household size and third party documentation of income is required. Homelessness Prevention and assistance to Emergency Shelters are also eligible under the CDBG program. OCD is working with stakeholders to assess statewide needs in response to COVID19 and will incorporate stakeholder feedback in its program design.

Comment #12



1108 City Park Avenue, Suite 200
Columbus, OH 43206
614.827.0549
ohiopovertylawcenter.org

Director Lydia Mihalik
Ohio Development Services Agency
77 South High Street
Columbus, Ohio 43215

Director Mihalik,

Thank you for the opportunity to comment on the Draft PY2019 Coronavirus Aid, Relief, and Economic Security Act Annual Action Plan Substantial Amendment. During our testimony, we discussed the surge in evictions that is likely to occur in the coming months if rental assistance is not made available to households whose incomes have been affected by the pandemic. Legal aid attorneys are front line workers during eviction crises and worry the coming one will be worse than the Great Recession in 2008. On April 22, OPLC released a report on the coming eviction crisis in Ohio, which we have attached to this letter.

During our testimony we also re-iterated three requests included in the May 15, 2020 letter from the Affordable Housing Learning Exchange Working Group on Housing Assistance. In that letter we called for:

- 1) **\$50 million to seed a Rental Assistance Program**
- 2) **Disburse the \$50 million between now and December 31, 2020.**
- 3) **Establish an Advisory Council on rental assistance**

A copy of that letter is also attached.

Thank you for the opportunity to provide feedback on the Substantial Amendment and we are encouraged by its focus on housing issues. We look forward to continuing to discuss the importance of providing broad-based rental assistance to families struggling to maintain their housing during the Covid-19 pandemic.

Sincerely,

Graham Bowman
Staff Attorney
Ohio Poverty Law Center

Response #12

The Community Development Block Grant (CDBG) Program allows for Emergency Monthly Housing Payments, defined as mortgage, rent, and utility payments for low- and moderate-income households. Assistance is capped at 3 months and payments must be made directly to the service provider on behalf of the LMI household. LMI is defined as 80 percent of area median income. Income requirements vary by county and household size and third party documentation of income is required. OCD is working with stakeholders to assess statewide needs in response to COVID19 and will incorporate stakeholder feedback in its program design.