

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

**A. BACKGROUND**

The City of Middletown is a recipient of a CDBG COVID-19 response grant (CDBG-CV) 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.

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 a reallocation of CDBG grant funds and in an effort to respond to possible changed circumstances within the community has identified that there is a need to create an Amendment to the 2019 Action Plan.

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

- Amend the Action Plan budget/Project allocation to include additional projects and activities utilizing the CDBG-CV funds and any 2019 CDBG funds that may be available.
- Amend the grant completion date from December 31, 2019 to December 31, 2021.

**B. AMENDMENT**

The Amendment to the 2019 Action Plan involves an allocation of CDBG-CV funding from the federal department of Housing and Urban Development, in the amount of \$292,206.

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

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

**ORIGINAL 2019 BUDGET**

2019 allocation \$498,458

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

Prior Year estimated program income allocated \$116,800

<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 amendment is in regards to the following 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
<u>Administration and Planning *</u>	<u>\$58,441.00</u>
<b>TOTAL</b>	<b>\$292,206.00</b>

\* Please see Attachment 1 for detailed project and activity descriptions.

\*\* The City is awaiting guidance on the amount of the CDBG-CV funding that can be used for administration and planning. For the purposes of this amendment it has been assumed that 20% of the grant may be used for this purpose as it is for regular CDBG grants. Should the percentage be less, the excess funds set aside for admin will be added to the Economic Development Project

**2. Amend the grant completion date from December 31, 2019 to December 31 2021.**

It is unknown how long the COVID 19 restrictions will last. While the City expects that it's public service activities will be completed by the end of 2020, it may take longer for businesses to receive notification regarding other loans and grants for which they may have applied (to avoid duplication of benefits. Monitoring at the 6-month and 1-year marks will also keep these activities open longer than the public services activities.

**C. PUBLIC PARTICIPATION**

A 5-day public comment period on the Amendment was conducted beginning on Friday, May 1, 2020 and will end on Tuesday, May 5, 2020 in accordance with the HUD waiver dated Thursday, April 2, 2020 to allow a five-day comment period. Any persons wishing to obtain a copy of the Amendment may do so at the City of Middletown website: [www.middletown-ny.com](http://www.middletown-ny.com).

**D. PUBLIC COMMENT ON AMENDMENT**

Any persons wishing to provide comments on the Amendment may do so 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

### A. 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 households 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 distribute 1200 nutrition packs 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 and the numbers are rising.

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 through December 31, 2020. This will enable the Kitchen to serve approximately 16,800 additional meals.

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, steam extractor and other equipment to be used for cleaning and sanitizing.

2. Economic Development – COVID Small Business Loans (SBL-CV)

COVID-19 restrictions have hit the business community quite hard. Non-essential business shutdowns, social distancing and work force reduction have caused a downward economic spiral. Middletown had been riding a wave of economic prosperity that had encouraged

many new businesses to open, especially in downtown. In order to facilitate a return to normalcy and to retain jobs the City will utilize CDBG-CV funds to institute 0% loans to for profit businesses for up to \$5000 for a 5-year term with a 6-month deferred payment for gap benefits to help them reopen. The City expects to be able to assist 32 businesses.

3. Administration and Planning

The City is awaiting guidance on the amount of the CDBG-CV funding that can be used for administration and planning. For the purposes of this amendment it has been assumed that 20% of the grant may be used for this purpose as it is for regular CDBG grants. Should the percentage be less, the excess funds set aside for admin will be added to the SBL-CV Project