



SUBSTANTIAL AMENDMENT
2019-2020 ANNUAL ACTION PLAN

Background:

On March 27, 2020, President Trump signed and approved the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to combat the spread and impacts of the coronavirus disease 2019 (COVID-19). Through the CARES Act, the United States Department of Housing and Urban Development (HUD) initially granted the City of Norwalk \$747,572 in CDBG-CV1 funds. At the May 19, 2020 City Council meeting, the Council approved the initial CDBG-CV funds to be allocated to the following activities:

- Small Business Loan Program - \$700,000
- Planning and Administration - \$47,572

On September 11, 2020 HUD informed the City that an additional allocation had been granted in the amount of \$850,708. The City must substantially amend their 2019-2020 Annual Action Plans prior to utilizing the additional CDBG-CV3 funds and waivers.

A substantial amendment to the Annual Action Plan is required when the City:

- Changes allocation priorities
- Expects to carry out a new or existing activity while using funds that has not been covered by the Consolidated Plan or included in the approved Action Plan;
- Allocates a substantial change (by \$35,000, except for planning and administration) in funds; or
- Modifies the location, scope, purpose, or recipients of an activity.

A substantial amendment to the Citizen Participation Plan is required when the City expects to alter procedures for publications, public notification, public commenting, and public hearings.

With the citizen participation public comment period and reasonable notice waivers, the City of Norwalk will implement a reasonable public notice and reduce the 30-day commenting period to 5-days for substantial amendments. The waiver for 15 percent public services activities cap will allow the City to fund additional public services activities that serve those affected by COVID-19. This will be reflected in the 2019-2020 Annual Action Plan and allocate additional funds to purchase personal protective equipment.



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Moreover, CDBG-CV funds will be used to cover increased administration costs. HUD is also extending the submission date for the Consolidated Annual Performance and Evaluation Report (Performance Report) to September 30, 2020, which the City will be implementing.

Proposed Amendment to 2019-2020 Annual Action Plan:

At the May 19, 2020 City Council meeting, the Council approved the initial CDBG-CV funds to be allocated to the following activities:

- Small Business Loan Program - \$700,000
- Planning and Administration - \$47,572

This Amendment will reallocate \$100,000 from the Business Assistance Program to Planning and Administration to cover costs associated with the extension of the program.

- *Economic Development Assistance*

HUD is allowing the provision of assistance to business, private and for-profit enterprises, due to closures from social distancing. The City will assist these entities to avoid job loss and other forms of aid to support existing and/or new businesses. This includes providing capital assistance to small businesses to create and retain jobs which will be held by low- and moderate-income persons in the City of Norwalk.

Allocated amount: \$600,000

- *Administration Costs*

HUD recognizes that funding additional activities and responding to COVID-19 will also increase administration and planning costs. The City will use CDBG-CV funds towards increased administration costs to support staff who are assisting with COVID-19 relief efforts throughout the City of Norwalk.

Allocated amount: \$147,572

The City will allocate additional CARES Act funds to assist those affected by the COVID-19 pandemic. The following lists the different activities and the amounts to be funded:



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- *Emergency Rental Assistance Program*

The Emergency Rental Assistance Program (“ERAP”) has the objective of mitigating potential homelessness and displacement of existing Norwalk residents and workers who are experiencing a decrease in household income due to the COVID-19 pandemic, and thus, unable to pay their rent. By providing a grant to assist eligible tenants pay for delinquent rent, The City is providing a much-needed resource to ensure residents of Norwalk stay in their homes and not become homeless.

Allocated amount: \$400,000

- *Public Service*

The City will assist newly and quantifiably increased public services due to the spread of an infectious disease. HUD regulations state that the City may fund activities to respond and prevent further spread of an infectious disease. The City will purchase personal protective equipment for the well-being of Norwalk citizens.

Allocated amount: \$50,567

- *Homeless Assistance (Option A)*

Creation and management of temporary emergency shelters for individuals and families experiencing homelessness, including operations, security, food, maintenance, furnishings, utilities etc.

Allocated Amount: \$230,000

- *Broadband/WiFi Services (Option B)*

Broadband services and connections for residential neighborhoods are accessible according to Federal Communications Commission (FCC) datasets. According to the FCC, just 2.8% of City households have connection access limited to one or fewer providers. However, with current “stay at home” orders, the bandwidth for neighborhoods is being tested. The City would like to use CDBG-CV3 funds to place WiFi hot spots on the exterior of City Buildings, in Parks and in other locations throughout the City.

Allocated amount: \$230,000

- *Administration Costs*

HUD recognizes that funding additional activities and responding to COVID-19 will



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also increase administration and planning costs. The City will use CDBG-CV funds towards increased administration costs to support staff who are assisting with COVID-19 relief efforts throughout the City of Norwalk.

Allocated amount: \$170,141

All these activities are eligible under the CARES Act and would greatly assist the City of Norwalk combat against the spread of an infectious disease.

Public Comments:

The City of Norwalk will address, and incorporate comments received during the 5-day public commenting timeframe between February 10, 2021 and February 15, 2021.