

CITY OF WILLIAMSPORT, PA RESOLUTION

RESOLUTION # 9148

DATE 5-13-21

TITLE

RESOLUTION TO APPROVE A CARES ACT AMENDMENT TO THE 2019 ANNUAL ACTION PLAN

WHEREAS, the City of Williamsport intends to submit an application to the U.S. Department of Housing and Urban Development (HUD) to receive \$228,630 in CARES Act funding to be used to prevent, prepare for, and respond to the coronavirus (COVID-19); and

WHEREAS, the City is required to amend its 2019 Annual Action Plan to account for the CARES Act funding; and

WHEREAS, HUD approved the City of Williamsport 2019 Action Plan on July 31, 2019; and

WHEREAS, the City approved a previous amendment for COVID-19 funds in the amount of \$609,271 on July 9, 2020 later receiving HUD approval; and

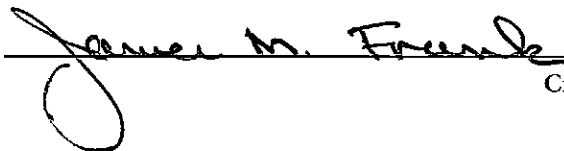
WHEREAS, the draft annual Action Plan for FY 2019 was on public display from October 22, 2018 to November 20, 2018 and the City of Williamsport held public hearings on said annual Action Plan and the comments of various agencies, groups and citizens were taken into consideration in the preparation of the final document.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WILLIAMSPORT:

SECTION 1. That the annual Action Plan for the FY 2019 CDBG Program and HOME Program is hereby in all respects approved and the City Clerk is hereby directed to file a copy of said annual Action Plan.

SECTION 2. That the Mayor and City Council are cognizant of the conditions that are imposed in the undertaking and carrying out of community development, affordable housing and emergency homeless activities with federal financial assistance, including those relating to (a) the relocation of site occupants, (b) the prohibition of discrimination because of race, color, age, religion, sex, disability, familial status, or national origin and other assurances as set forth under the certifications.

Approved



City Clerk



President

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SECTION 3. That the Mayor on behalf of the City of Williamsport is authorized to file an application for financial assistance with the U.S. Department of Housing and Urban Development and is further authorized to act as an authorized representative of the City of Williamsport to sign any and all documents in regard to these programs.

SECTION 4. That the Mayor on behalf of the City of Williamsport is hereby authorized to provide assurances and/or certifications as required by the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, and also any supplemental or revised data which the U.S. Department of Housing and Urban Development may request in connection with the review of this application.

Approved

James M. Frank
City Clerk

Randy Allison
President



CITY OF WILLIAMSPORT

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT



PROGRAM YEAR 2019

CITY OF WILLIAMSPORT CARES ACT AMENDMENT SUBSTANTIAL AMENDMENT TO THE 2019 ACTION PLAN

The City of Williamsport has been notified that it is receiving a third special allocation of Community Development Block Grant (CDBG-CV3) funds in the amount of \$228,630.00 to be used to prevent, prepare for, and respond to the coronavirus (COVID-19).

CDBG – CV Public Service Activities

The City is proposing to allocated \$228,630 to public service activities to be used to prevent, prepare for, and respond to the coronavirus (COVID-19).

Each activity must be determined to be eligible as per Section 105 of the *Housing and Community Development Act of 1974*, as amended.

The CDBG regulations allow the use of grant funds for a wide range of public service activities, including, but not limited to:

- Child care;
- Crime prevention and public safety;
- Down payment assistance; and
- Economic sustainability and recovery;
- Education programs;
- Employment services (e.g., job training);
- Energy conservation;
- Fair housing counseling;
- Health services;
- Recreational services;
- Services for homeless persons;
- Services for senior citizens;
- Substance abuse services (e.g., counseling and treatment); and
- Welfare services (excluding income payments).

CDBG funds may be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.

The project must meet a national objective. To meet a national objective, the project must either benefit an area with 51% or greater low to moderate income persons, benefit 51% of low income persons through income eligibility determination for participation or benefit a specific group deemed to be a presumed benefit. Presumed benefit categories include the following:



CITY OF WILLIAMSPORT

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- Elderly
- Severely Disabled
- Abused Children
- Battered Spouses
- Homeless Persons
- Illiterate Adults
- Persons w/Aids
- Migrant Farm Workers

The City will develop an application process for social service agencies to apply for the CDBG-CV funding. All projects must use the funding to prevent, prepare for, and respond to the coronavirus (COVID-19), meet CDBG eligibility requirements and insure that there is no duplication of benefits.

What is Duplication of Benefits?

Recovery assistance may be provided by many sources.

A duplication of benefits (DOB) occurs when:

- Assistance from multiple sources *and*
- Total Assistance > Need for that Type Assistance

Recovery assistance may be provided by:

- The Federal Emergency Management Agency (FEMA)
- The Small Business Administration (SBA)
- The Department of Housing and Urban Development (HUD)
- Insurance, state and local governments, and charitable institutions.

Federal law prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.

Methodology for CDBG-CV3 (Part A) allocation – September 11, 2020

This note describes the methodology for the third tranche of CDBG CARES Act funding. The Congress provided the Secretary of Housing and Urban Development with discretion on how to allocate this remaining tranche of \$1,987,576,954 within the priority areas of the law. The formula allocation developed by HUD both meets the statutory requirements of the CARES Act and the President’s Executive Order to focus funds toward places with households facing higher risk of eviction. Specifically, it targets:

- Communities with a high proportion of individuals in industries with high job loss in states with high unemployment;
- Communities with a high proportion of businesses in industries with high job loss in states with high unemployment; and
- Communities with households most at risk for transmission and risk of eviction, with higher amounts for states with high rates of coronavirus.

Background

Congress provided \$5 billion in the CARES Act for the Community Development Block Grant (CDBG) program, specifically setting aside \$10 million for Technical Assistance and noting three different allocation methods for the remainder:

- (1) Allocation 1. The first \$2 billion were allocated based on the same formula used for the regular FY 2020 CDBG formula allocation. These grants have already been announced.
- (2) Allocation 2. \$1 billion allocated directly to states on May 11.
- (3) Allocation 3 – Part B. \$2.42 million of Allocation 3 was also included for the District of Columbia to address a drafting error that unintentionally excluded DC from the the second allocation. This grant was announced on May 11.
- (4) Allocation 3 – Part A. The remaining funds, \$1.988 billion, is available for allocation on a rolling basis based on criteria to be determined by the Secretary. It is this final allocation that is the subject of this note.

For Allocation 3 – Part A, the \$1.988 billion for states and local governments, the law says:

Provided further, That remaining amounts shall be distributed directly to the State or unit of general local government, at the discretion of the Secretary, according to a formula based on factors to be determined by the Secretary, prioritizing risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruptions resulting from coronavirus: Provided further, That such allocations may be made on a rolling basis based on the best available data at the time of allocation.

Congress specifically noted that the allocation should be “based on” factors to be determined by the Secretary, prioritizing:

- risk of transmission of coronavirus

- number of coronavirus cases compared to the national average
- economic and housing market disruptions

Prior Allocation Targeting

The initial \$2 billion was allocated under the existing CDBG formula. In general, this formula targets communities with older housing, slow population growth, and to a lesser extent poverty and overcrowding.

The second allocation of \$1 billion was allocated to states to serve all communities in the states and targeted toward low-income elderly, children in poverty, and unemployment claims; with a modest adjustment for places with high COVID case counts at the time.

Targeted Allocation of \$1.988 billion

Since those previous allocations, considerably more data has come available on which specific communities are being most impacted by the virus and the economic consequences of stay-at-home and other social distancing policies.

Communities with high risk of virus spread. While the virus has reached nearly every corner of America, within each region some communities are more impacted than others. Research published in the Journal of the American Medical Association (JAMA) shows virus spread is most common in neighborhoods with larger household sizes, overcrowding (1.01 or more persons per room), and higher unemployment. (Emeruwa, Ona, and Shaman, June 18, 2018. "Associations Between Built Environment, Neighborhood Socioeconomic Status, and SARS-CoV-2 Infection Among Pregnant Women in New York City"
<https://jamanetwork.com/journals/jama/fullarticle/2767631?widget=personalizedcontent&previousarticle=2768532>)

- Communities with large numbers of Very Low-Income Renters pre-pandemic. These renters are the most likely to be at risk for missing rent payment during an economic downturn because of limited resources and being most vulnerable to job loss. Data from the 2017 American Housing Survey shows that *pre-pandemic* 7.7 million Very Low-Income (VLI) renters – 43% of VLI renters - were paying more than half their income for rent or living in substandard housing, and that is *pre-pandemic*. Ten percent of VLI renters were 30 days or more late on rent pre-pandemic (which is twice the rate of other renter missed payment). Loss of employment or hours of work due to the pandemic makes these households (elderly, disabled, families with children, and other adults) extremely vulnerable to eviction.
<https://www.huduser.gov/portal/sites/default/files/pdf/worst-case-housing-needs-2020.pdf> &
<https://www.census.gov/programs-surveys/ahs/data/interactive/ahstablecreator.html>
- Communities with businesses not reopening or failing. Some businesses have been only modestly impacted by the crisis, while others are expected to be impacted for months or years to come. There are a handful of industries that represent the businesses with unemployment rates more than 1.5 times that of the national rate. Those industries are:
 - 1) Mining, quarrying, and oil and gas extraction;

- 2) Arts, entertainment, and recreation; and
- 3) Accommodation and food services.

In total, these industries represent 23 percent of those unemployed, but they have experienced economic damage 1.5 times or more of most other industries and are expected to have the most long-term economic disruption.

The largest of these, leisure and hospitality, has credit card transaction data from tracktherecovery.org that shows as of July 14th, 24% of small businesses were not open as compared to January and more were closing. Consumer spending as of July 12th for the subcategories of Arts, Entertainment, and Recreation was down 48% and Restaurants and Hotels was down 32%.

- Communities where the employees of the closed and struggling businesses live. The employees of these struggling industries do not always live in the same community in which they work. For the communities where they live, the greatest challenge will be eviction prevention, per the President's Executive Order.

The challenge with a formula intended to allocate to state and local governments is that most data associated with this crisis are available primarily at the state level. There are some county level data, but they are subject to greater error. However, the research on the crisis has shown that there are neighborhood characteristics and job industries that are particularly at risk. Data on those neighborhood characteristics and industries pre-crisis are available. By combining the data available on the current crisis with the substate data on those most at risk, it is possible to more accurately target these limited funds to the places expected to be most in need. Specifically, the Allocation 3 formula targets:

- 40% of funds toward households whose characteristics are known to put them at higher risk of transmission of coronavirus or higher risk of eviction due to likely limited means to sustain a long-term economic disruption. Per the statute, both of these factors are adjusted upward for communities within states that have higher coronavirus case or death rates per 100,000, or higher positivity rates, compared to the national average:
 - **Overcrowding (1.01 or more persons per room).** People living in overcrowded households have a higher risk for transmission of the virus. Overcrowding also is an indicator of risk for loss of housing and unsheltered homelessness. 20% weight (Source: 2013-2017 ACS)
 - **Very Low-Income Renters.** Very Low-Income Renters are most at risk for eviction. 20% weight (Source: 2013-2017 ACS)
 - **Adjustment for per capita case counts relative to the national average.** The statute specifically instructs HUD to take into account “number of coronavirus cases compared to the national average”. As time has passed, we have learned that there is more than one way to consider coronavirus cases. In order to ensure that case counts are fairly considered for each state, HUD is using the “best of” these three different

ways of considering case counts:

- Per capita cases relative to the national average for per capita cases
- Per capita cases resulting in death relative to the national average of per capita cases resulting in death
- Cases per test relative to the national average of cases per test (also called the positivity rate)

The counts of overcrowding and very low-income renters for jurisdictions in each state are adjusted upward up to twice their base counts on whichever of these ratios gives the highest amount, not to exceed two times. Data are from September 2nd. No downward adjustments are made. (Source: CDC COVID Data Tracker, September 2, 2020)

- 60% for Economic and Housing Market Disruptions, specifically unemployment. The allocation is in two steps. First, the funds are allocated to the whole state based on their share of national unemployed from BLS data from July. The second step is to divide the funds allocated to the state to the CDBG geographies. Because we do not have current unemployment data at the CDBG geographies, the funds are allocated based on the employment in industries shown by BLS to have been most impacted by the loss of jobs. (Source: BLS Local Area Unemployment Statistics, July 2020 preliminary, seasonally adjusted)

Within state, allocations are based on each community's share of population that had been employed pre-pandemic in these industries:

- 1) Mining, quarrying, and oil and gas extraction;
- 2) Arts, entertainment, and recreation; and
- 3) Accommodation and food services.

Of the 60% of funds allocated on unemployment, 70% is targeted toward the communities in which the workers in the industries above live; 30% is targeted toward the communities in which the workers in this industry work(ed). The higher weighting to where people lived reflects the President's Executive Order priority of targeting funds to communities needing emergency rental assistance. Nonetheless, some amount is targeted to support the business community recovery. (Source: BLS LEHD Origin Destination Employment Statistics (LODES), 2016)

Most of these data are not available for insular areas (Virgin Islands, American Samoa, Guam, Northern Marianas), so we propose the insular areas receive 0.2 percent of the funding and get their same proportional shares as they received under the 2020 CDBG allocation. Unemployment data from the period following the COVID crisis is also unavailable for Puerto Rico, as is data on the location of residence and workplace by industry for the territory's workforce. Therefore, Puerto Rico's unemployment numbers needed to be estimated using a different process. Its unemployment number is estimated as its July 2019 unemployment count times the average increase in unemployment across all states for the period July 2019 to July 2020. To distribute the allocations to

grantees within Puerto Rico, we use working age population (18 to 66 years old) as a proxy to employment in the most-impacted industries.

Finally, CV3 also includes a small correction to some errors with the CV1 allocation. These corrections largely impact the state nonentitlement grants for California (decrease) and Idaho (increase) and the entitlements of Fresno County (increase) and Stanislaus County (increase).

Attached: CDBG-CV3 – Part A allocation list

<u>CDBGNAME</u>	<u>State</u>	<u>CV3 Allocation</u>
OR Nonentitlement	OR	\$7,548,838
Abington	PA	\$306,687
Allentown	PA	\$930,307
Altoona	PA	\$305,145
Bensalem Township	PA	\$545,203
Berwick Borough	PA	\$61,899
Bethlehem	PA	\$649,643
Bloomsburg	PA	\$85,695
Bristol Township	PA	\$309,843
Carlisle	PA	\$159,107
Chambersburg	PA	\$170,168
Chester	PA	\$285,451
Erie	PA	\$786,470
Harrisburg	PA	\$464,497
Haverford	PA	\$212,594
Hazleton	PA	\$146,842
Johnstown	PA	\$149,428
Lancaster City	PA	\$548,068
Lebanon	PA	\$206,891
Lower Merion	PA	\$312,645
Mckeesport	PA	\$145,140
Millcreek Township	PA	\$393,543
Norristown	PA	\$245,446
Penn Hills	PA	\$249,867
Philadelphia	PA	\$11,311,404
Pittsburgh	PA	\$3,112,342
Reading	PA	\$575,729
Scranton	PA	\$522,531
Sharon	PA	\$103,754
State College	PA	\$322,812
Upper Darby	PA	\$592,142
Wilkes-Barre	PA	\$323,326
Williamsport	PA	\$228,630
York	PA	\$353,507
Allegheny County	PA	\$6,145,517
Beaver County	PA	\$992,810
Berks County	PA	\$1,658,954
Bucks County	PA	\$2,794,491