



Development  
Services Agency

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

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**May 2020**

Prepared By:  
Ohio Development Services Agency  
Community Services Division  
Office of Community Development

Mike DeWine, Governor of Ohio  
Jon Husted, Lt. Governor  
Lydia L. Mihalik, Director  
Ohio Development Services Agency

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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](https://development.ohio.gov/cs/cs_ocp.htm).

Due to the COVID-19 state of emergency, Development will allow interested parties to submit written testimony via email to [ocd@development.ohio.gov](mailto:ocd@development.ohio.gov) any time during the public comment period between May 25, 2020, and June 1, 2020. Interested parties must 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](mailto: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**

Immediately 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 collaborate with the Region Leads for access to RRH assistance and implement a Homeless Management Information System (HMIS) Comparable Database.

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 funds will be split between entitlement and balance of state areas at a ratio of 30%/70% and housing stability funds will be split at 40%/60%.

## **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 funding based on 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 30% 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.
- 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 Homeless Crisis Response Program funds are discouraged from changing their approved projects. The OCD will consider, on a case-by-case basis, only those changes that do not negatively affect the scoring of the original competitively awarded grant. 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. While a budget amendment is not needed to move funds between homelessness prevention and RRH activities, increasing the amount of funds expended on homelessness prevention will negatively impact scoring in future funding rounds.

**Application Submission:** Applicants must submit applications for the CARES Act Program by 11:59 p.m. on June 15, 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 June 22, 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 12<sup>th</sup> month;
- 2) all funds must be drawn down by the end of the 13<sup>th</sup> 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 14<sup>th</sup> 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

### **CDBG Target of Opportunity COVID-19 Response Program:**

**Goal:** The CDBG COVID-19 Response 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 \$26 million

#### **Eligible Activities:**

##### **Public Services:**

- Child Care
- Down payment Assistance
- Education
- Homeless Services
- Public Safety
- Transportation
- Services for Victims of Domestic Violence
- Drug Abuse Counseling and Treatment
- Senior Services
- Health Care
- Job Training
- 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*

##### **Public Facilities:**

- Day Care Centers
- Disaster Shelters
- Health Care Facilities
- Libraries
- Public Schools
- Domestic Violence Shelters
- Homeless Shelters
- Nursing Homes
- Senior Centers

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

**Administrative Cost:** A maximum of 10% or \$50,000, whichever is less, of the total grant amount may be used for general administration, implementation (including on-site delivery costs), environmental review, audit, and closeout. The OCD will evaluate the community's request during application review and reserves the right to award less than the requested amount.

**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 or Limited Clientele Benefit or the Prevention/Elimination of Area or Spot Slum or Blight.

**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](#).

**Application Procedures:** An eligible community may apply for CDBG COVID-19 Response Program funds 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.

**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