COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CARES ACT (CDBG-CV) GRANTEE BEST PRACTICES REPORT















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 - o Steve Posey, Community Development Division Manager
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 - o Sarah Kerner, Economic Development Director

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- Idaho Falls, Idaho
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 - o Tia Braseth, Community Development Division Head, Department of Planning and Development

Public Facility and Building Improvements

- West Des Moines, Iowa
 - o Althea Holcomb, Director of Human Services
- Middletown, New York
 - o Maria Bruni, Grants Management
- East Providence, Rhode Island
 - o David Bachrach, Community Development Director

- Commonwealth of Pennsylvania, Department of Community and Economic Development
 - o Sarah Gulick, Economic Development Consultant
- State of Minnesota, Department of Employment and Economic Development
 - o Natasha Kukowski, Development Program Manager, , Small Cities Division

Interim Housing and Supportive Affordable Housing

- New Castle County, Delaware
 - Carrie Casey, Manager, New Castle County Division of Community Development and Housing
- Oakland, California
 - Christina Mun, Acting Deputy Director, Housing and Community Development Department
 - o Greg Garrett, Manager, Community Development and Engagement Division
- State of Connecticut, Department of Housing
 - o Steve Dilella, Director of Individual and Family Support Program Unit
 - o Miguel Rivera, Housing and Community Development Manager
 - o Lena Holleran, Homeowner Advocate
- Modesto, California
 - o Jessica Hill, Community Development Manager

Table of Contents

Executive Summary	6
Challenges CDBG-CV Grantees Faced at the Onset of Covid-19 Error! Bookmark not def	ined.
Overview of the Community Development Block Program (CDBG) Error! Bookmark not def	ined.
I. Economic Development and Assistance to Businesses	7
A. Outreach to Businesses in Need of Relief	7
B. Ensure CDBG-CV Applicants are Qualified	9
C. Eligibility Criteria for Assisting Businesses	10
D. Strategies to Avoid Duplication of Benefits (DOB)	10
E. Strategies to Design, Launch, and Report On a CDBG-CV Business Recovery Program.	11
Case Study: Colorado Springs, Colorado	12
F. Lessons Learned from Economic Recovery Programs During a Pandemic	13
Case Study: Springfield, MO	14
Case Study: Aiken, SC	14
II. Public Services	15
A. Implement a Public Service Strategy for Emergencies such as COVID-19	15
Case Study: Yuma, Arizona	17
B. Eligibility Criteria for Funding Service Providers	18
C. Outreach – Targeting the Most Vulnerable in the Community with a Variety of Public Service Activities	18
Case Study: Livonia, Michigan	20
D. Follow-up with Service Providers to Assess Impact of CDBG-CV Assistance on the Community	21
Case Study: Idaho Falls, ID	21
E. Lessons Learned from CDBG-CV Funded Public Service Programs	22
Case Study: Fargo, ND	22
III. Public Facility Improvements	23
A. Best Practices for Renovating a Public Facility in Response to a Pandemic	23
Case Study: Middletown, NY	24
B. Expand Health Care Centers and Support Mental Health Facilities	25
Case Study: East Providence, Rhode Island	26
C. Strategies for Expanding Food Banks during a Pandemic	26
D. Broadband Installation Strategies for Communities without Internet	28
IV. Non-Congregate, Interim and Affordable Housing	30
A. Strategies to Purchase a Hotel to House the Homeless	31

B.	Provide Wraparound Services within the Hotels to Support the Homeless	33
C.	Transition to Affordable Housing	34
Conc	lusion	35
Ap	pendix	37
Re	sources - On-Line Tools and Guidance to Encourage CDBG Best Practices:	37
Co	nference Recordings, Webinars, and Video Tutorials:	37

Executive Summary

The Department of Housing and Urban Development's (HUD) Office of Block Grant Assistance is issuing this report to share grantee best practices of the Community Development Block Grant Coronavirus (CDBG-CV) Program. The report describes CDBG-CV grantee recommendations regarding how to assist businesses with the economic recovery, safely provide public services, implement public facility and building improvements, and provide noncongregate shelter options and affordable housing in both urban and rural settings in response to the coronavirus. HUD identified sixteen grantees that have mobilized resources effectively. During four CDBG-CV webinars, held in October 2021, grantee representatives discussed their unique strategies and best practices in implementing programs with these funds. This report captures the creative approaches of sixteen (16) CDBG-CV grantees who met the challenge of implementing a program to address the coronavirus pandemic, sharing their expertise in four specific activity areas:

- Economic development and assistance to businesses,
- Public services to individuals most impacted by coronavirus,
- Public facility improvements, and
- Non-congregate and affordable housing for the homeless.

The Coronavirus Aid, Relief and Economic Security Act (CARES) Act (Public Law 116-136) was signed into law on March 27, 2020. The CARES Act provided \$5 billion in supplemental Community Development Block Grant Coronavirus (CDBG-CV) funding specifically identified to prevent, prepare for, and respond to the coronavirus. HUD allocated CDBG-CV funds in three tranches to states and CDBG entitlement communities. The regulatory and Notice requirements for the program are at 24 CFR part 570 and in FR-6218-N-01: *Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for CDBG Program Coronavirus Response Grants, FY19 & 20 CDBGs, and for Other Formula Programs* (August 7, 2020).

This report will provide specific examples, highlighting the tremendous impact that CDBG-CV funding has had since April 2020 in addressing coronavirus. Nationally, as of June 2022, grantees report that CDBG-CV funds have:

- supported over 73,400 businesses,
- created and retained 37,300 full-time equivalent jobs, and
- extended emergency grant payments/rental assistance for over 800,000 households.

¹ On August 20, 2020, HUD published in the Federal Register *Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs (85 FR 51457)*, effective August 7, 2020, (hereinafter, the "CDBG-CV Notice").

This report has been posted on the HUD.gov website and the recorded webinars have been posted on the HUD Exchange website. This web-based resource provides peer-to-peer training, allowing CDBG-CV grantees across the portfolio to view the webinars online and implement the applicable best practices that were shared. The CDBG-CV webinars may be found here: https://www.hudexchange.info/trainings/cdbg-cv-webinars/

I. Economic Development and Assistance to Businesses

The COVID-19 pandemic continues to have far-reaching economic consequences, which include global supply chain issues and business closures in nearly every sector. The pandemic caused the second largest global recession in history, with lower income communities facing a larger proportion of job losses and health challenges. Given that CDBG-CV funding is directed to members of these communities, the program has a critical role to play. This is more apparent during a worldwide pandemic because CDBG-CV grants are a vital source of funds to assist businesses in stabilizing operations, recovering losses, and filling gaps in the safety net in lower income neighborhoods.

There are a variety of ways that CDBG-CV funding can be used to promote economic recovery, so long as funds tie back to the impacts of coronavirus. State, county, and city governments, or their subrecipients, may provide grants or loans to support existing businesses or entrepreneurs. Funds may be used to acquire, convert, construct, or reconstruct commercial spaces. This funding can revitalize communities and local economies affected by business or job losses resulting from the coronavirus. Funds may also be used to reverse job losses caused by business closures. Job losses may include loss of positions, or a reduction of hours worked. Many essential jobs, such as cleaning staff at hospitals and hotels, food workers, nursing assistants, and many other "front-line" service economy jobs are held by lower income individuals. CDBG-CV grantees may provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises including supporting microenterprises that distribute health supplies and services to prepare for and prevent future outbreaks.

A. Outreach to Businesses in Need of Relief

In March of 2020 and the months that followed, more businesses closed their doors and increasing numbers of employees were laid off from their jobs. During a time of so much uncertainty, CDBG grantees were besieged by requests for assistance from the business community, especially from those segments that did not know how to apply, or were ineligible for, the Small Business Administration's Paycheck Protection Program (PPP) or other sources of funding. Many CDBG-CV grantees chose to use their CDBG-CV dollars to assist small businesses and microenterprises that were not eligible for assistance from other sources. For many grantees, it was an ongoing coordination effort to tailor business assistance in a way that would address an increasing number of unmet needs with limited resources. CDBG-CV grantees

shared the following strategies that played a vital role in assisting smaller and overlooked businesses:

- 1. Identify COVID-19-dense areas with high unemployment rates. Use your mapping software or local employment and public health data to cross-reference unemployment numbers with your "Coronavirus hotspots". Pay particular attention to zip codes that have unusually high case numbers, along with high numbers of self-reported "mom-and-pop" business closures. Work with formal and informal community stakeholders that know the low-income community. Develop and execute an engagement strategy and ensure you are co-developing the programs and resources alongside the community. For example, team up with your Department of Workforce Services to use CDBG-CV funds to sustain jobseekers until they find employment.
- 2. Work with economic partners in your jurisdiction and determine how CDBG-CV can complement their efforts. Communicate and coordinate with economic development stakeholders. Partner with organizations that can efficiently deliver resources, have more experience applying the financial lens of economic development, and can improve connections among the constituency you are trying to reach. Tap into existing organizations and community partners such as the Economic Development Network, Trade Associations, Downtown Business Associations, Chambers of Commerce, Immigrant Networks, Minorities in Business organizations, and County Commissions.
- 3. Locate the smaller businesses that are unable to access business assistance through the PPP or other sources. Conduct outreach to small businesses that are in your jurisdiction's lower income neighborhoods. Reduce the barriers to access and maintain a strong outreach effort. CDBG regulations define a "microenterprise" as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise. These businesses often fall through the cracks of our economy and need additional support.
- 4. Advertise the availability of CDBG-CV funding often to build trust and reduce ineligible applications. Promote CDBG-CV economic assistance through websites, email, local news media, and social media. Identify trusted community partners that are connected to low-income areas, businesses, or services to help share the promotion and availability of funding. A personal touch may be more effective, so canvass your communities and speak with business owners directly. Consider asking VISTA and AmeriCorps volunteers to notify businesses of available funding. Do not underestimate the effectiveness of traditional marketing tools such as newspaper ads, press releases, mailers, TV spots, paid advertising platforms, and phone calls. During a crisis, business owners lack time. Grantees can provide additional staff support to assist business owners through the application processes and help them understand how the funding can best support their needs. If your economic development division operates existing grant or loan programs, tap into that network of businesses to make them aware of your CDBG-CV funding. Share contact information, and

program data analytics to connect with other business owners or other business-centric networks.

5. Translate a notice of funding availability into other languages. In communities where there is a large non-native English-speaking population, it is easy to overlook the need to conduct all outreach in multiple languages in a culturally sensitive manner. Some grantees are "taking it up a notch", with their citizen participation requirement and reaching out more intensely to non-native English speakers. Make sure that a notice of funding availability, the CDBG-CV loan/grant application, and other program materials are produced in languages that are commonly spoken among immigrants and refugees in your jurisdiction. School districts are a reliable data resource for understanding how many languages and dialects are spoken in specific areas of your jurisdiction. Use non-traditional data sources to gather the most relevant data to extend your reach.

B. Ensure CDBG-CV Applicants are Qualified

During any crisis, such as the onset of coronavirus, there is a mad scramble to take advantage of available funds to keep businesses afloat and retain existing jobs. Grantees need to perform the due diligence necessary to ensure that applicants are qualified to receive available funds from their CDBG-CV program. Grantees provided the following suggestions to facilitate this effort:

- 1. **Statement of Need** Be sure to include a narrative in the application that allows the business owner to detail the negative impacts they are experiencing, the specific type of support they need and if employees were already or could be laid off. Require a profit and loss statement from the same timeframe of the COVID pandemic to see in real numbers, the financial hardship experienced. Require the applicant to list other sources of funding it has received, such as PPP or other local economic development support. Leave a space in the application for the business owner to explain how other funding sources were used, and why there is still a need for additional assistance.
- 2. **Prioritize the types of outcomes you plan to fund,** based upon a local needs assessment. Start with outcome-based funding for each business you assist. You may choose to fund businesses that prioritize job creation or retention. This should be thought of in the context of a data-based needs assessment. In addition to need, business characteristics to consider could include location, business sector, or business size. For example, if the top priority is job retention, applicants that best fulfill this requirement would move to the next phase of the application process.
- 3. **Application Review** After the application window closes, ensure that each application is read by at least three individuals using a two-tier review process. The first tier of review checks for application completeness, compliance with CDBG-CV requirements, and ranks applications based on the chosen scoring criteria. Finalists would then move to an executive

committee, made up of community and business leaders, who would make recommendations for funding to the CDBG grantee office.

C. Eligibility Criteria for Assisting Businesses

Establish eligibility criteria for assisting businesses. Understand the unique challenges of microenterprises and allow for flexibility with financing. Items to consider here include:

- 1. **Tie Back to Coronavirus** When using CDBG-CV funds, it is key to show the connection between coronavirus and the business's stated need for funds. Grantees must ensure that applicants demonstrate how their hardship was caused by the pandemic, and how CDBG-CV funds will prevent, prepare for, or respond to the disruption and impacts of the coronavirus pandemic on their business. Use the American Community Survey (ACS) household "pulse survey" related to household income and types of jobs, and cross reference parts of your community with very high coronavirus rates. Public health departments are an excellent resource because they track coronavirus infection rates within and across jurisdictions. Once CDBG-CV grantees have this data, they can then identify business owners and employees within their communities who are experiencing loss of income due to layoffs.
- 2. Select businesses with varying levels of experience As a general rule, participating businesses should be in full operation prior to the pandemic to demonstrate the tie back to coronavirus. Nevertheless, grantees may include microenterprises that are just starting out. A careful evaluation should be conducted based on need and the economic impact of a business closure or of a loss of jobs to the community.
- 3. **Prohibit funding of businesses that are in poor standing.** While grantees should consider relaxing some requirements for businesses during a pandemic or other disaster, it is advised that some requirements remain in place:
 - Prohibit funding businesses that are currently in bankruptcy.
 - Prohibit the participation of businesses that are in default on one or more government loans.
 - Prohibit funding businesses where there is an apparent or perceived conflict of interest between a business owner and a member of the group that makes funding decisions, such as a city or county council.

D. Strategies to Avoid Duplication of Benefits (DOB)

It is a good practice to have processes built directly into the application process to avoid a duplication of benefits. Grantees offered the following suggestions (HUD also has other CDBG-CV Quick Guides available on this topic):

- 1. Require business owner applicants to sign an affidavit listing all other federal, state, and local benefits received. They should also confirm that if not for this funding, the business is not likely able to remain in operation. If applicants are receiving, expect to receive, or have received other funding after the submission of their application for CDBG-CV funds, that should be disclosed and documented. Applicants are encouraged to provide information on how much, if any, other funding remains available.
- 2. Duplication of benefits language should be added to all agreements and communicated with all applicants at every available opportunity. This may be documented through a subrogation agreement or similar clause included in the assistance agreement with the businessperson or entity.
- 3. Encourage applicants to submit a copy of their PPP documentation or SBA loan documentation if they received funds through these programs. Business owner applicants should submit a narrative statement explaining all expenses that are covered by the PPP program and which activities CDBG-CV funds are going to support.
- 4. Request profit and loss statements from the previous two years and current receipts to document expenses to ensure that CDBG-CV funds are being used for costs separate from other sources of funding. Work closely with each applicant to ensure that other funding is being used for activities that are distinct from CDBG-CV activities.
- 5. Repayment procedures should be clearly outlined in the grantee's policies and procedures. If a recipient has received a duplicate funding for the same activity, it will need to repay these funds to the grantee.
- 6. Use community partnerships with local banks to help ensure that subrecipients do not receive a duplication of benefits. Local bankers can provide an extra set of eyes on your documents and track your subrecipients that are receiving multiple federal and state grants.

E. Strategies to Design, Launch, and Report On a CDBG-CV Business Recovery Program

1. Design a business recovery program specifically targeted to very small businesses or micro-enterprises by aiding business owners and employees simultaneously. Examine the most common reasons these businesses were denied funding, and then provide the necessary technical assistance to get these businesses operating again. Come up with a catchy name for the program. For example, the city of Colorado Springs calls its Business Recovery Program, "Survive and Thrive." Establish clear CDBG-CV guidelines, application materials that are tailored to meet CDBG-CV requirements, and CDBG-CV reporting templates. Set clear, stated goals for the program such as, "the creation and retention of low- to moderate-income jobs to ensure the viability of micro-enterprises." Grantees should make sure that they are checking for compliance with HUD requirements as they proceed.

- 2. Match Capacity Building with Financial Resources When developing a business recovery program for small business owners, it is essential to pair a capacity building program with access to financial resources. For example, a grantee can tap its regular network of economic development partners to pair each recipient of CDBG-CV funds with a business mentor with expertise in finance. From there, it could develop a local fund and provide the first financial relief to small businesses in the community that have the skill sets and support to pivot and manage their businesses efficiently during a pandemic.
- 3. Set up a Financial Mentorship Program- Once businesses have been selected, grantees should work with owners to improve their financial records and statements to ensure they are eligible to receive the funding. Consider setting up an eight-week mentorship program and pair each business with a business leader in the community who can coach the business owner on how best to use the funding, develop financial tools and provide knowledge of how to apply for future funding opportunities. The focus should be to address the needs that the business requested in its application. This process of support and building personal relationships with individual business owners is vital to the success of the CDBG-CV assistance.
- **4. Distribute CDBG-CV Grants in one or more installments** To further compliance with public underwriting requirements, consider distributing CDBG-CV grant or loan funds in installments. For instance, provide half the funding at the beginning of the financial mentorship program and half at the end, which gives CDBG-CV beneficiaries the businesses time to prove their ability to stay open and remain viable. Pursue a lending or grantmaking strategy that not only prevents business closures during the pandemic, but also builds resilience and future business growth.
- 5. Measure the Return on Investment (ROI) by recording:
 - the dollar amount of wages preserved,
 - the number of jobs retained,
 - the number of jobs created, and
 - the number of businesses that did not have to close.

Develop the ROI from internal and applicant data. Review the LMJ, low/mod job creation and retention, accomplishment screens in HUD's Integrated Disbursement and Information System (IDIS) during program design to identify the accomplishments to be reported. Most importantly, document business, owner, and employee success stories to highlight strong community engagement and support, testimonials from the beneficiaries of the CDBG-CV Business Assistance Program, and the benefits of mentorship.

Case Study: Colorado Springs, Colorado

Therapeutic Clinic for Veterans and Non-Veterans

Population: 498,879

Rhone River Wellness Clinic is a therapeutic clinic that provides services to the large veteran population in Colorado Springs, as well as non-veteran patients. It is a minority and woman

owned business that employs three staff. Colorado Springs' subrecipient business assistance program called, *Survive and Thrive 2.0* (S&T 2.0) received CDBG-CV funds to assist small businesses with meeting payroll obligations, rent, and operational expenses.

Unique to the S&T 2.0 program was the mentoring and educational guidance that accompanied the funding, which in turn, increased the growth and impact of the clinic. The business owner was able to hire an additional employee as well as retain the two employees she had on staff. She used the advice given to her by her mentor to strengthen her business.

Until I was introduced to the CDBG-CV funded business assistance program, I was beating my head against the wall looking for help. Thank you for taking a chance on me. It won't go to waste. The support from Survive and Thrive has been above and beyond what I anticipated. My mentor provided me with a flow of information and ideas. Thank you so much. Our pod of businesses that were assisted had excellent meetings. I think I can make it without feeling like I'm on a downward slope. It'll be on an upward climb, but I like challenges. I would love to stay connected with everyone. We've created our own community. We need to keep it going after the program ends.

---Business Owner, Rhone River Wellness Clinic

F. Lessons Learned from Economic Recovery Programs During a Pandemic

Time is of the essence, so the need to be flexible and nimble is essential during a pandemic or any other crisis. The following lessons learned regard ways to expedite a grantee's pandemic response and ensure the greatest positive economic impact in the local business community:

- 1. Engage directly with business owners to develop trust. Many microenterprises are fearful that their businesses will be taken away from them. CDBG-CV compliance requirements can be overwhelming for the owners of microenterprises. Educate business owners why it's so important to have a strong financial record keeping system and explain why that is so important to funders. Grantees must be willing to provide technical assistance to help microenterprises get their financial statements in order. Communication with business owners and banks is essential.
- 2. During a pandemic, or any kind of crisis, relaxation of some rules must be exercised to save businesses and retain existing jobs. Defer payments on existing loans and relax charging further interest on loans until the pandemic or other crisis becomes manageable. Allow borrowers to request additional deferments based on continuing hardship. Sometimes micro loans are what's needed to save a business from closing. Be willing to relax loan minimums in times of crisis. Offer forgivable loans and/or develop a grant program to get funds out the door quickly.
- 3. Be willing to fund "pivot projects" to enable business owners to cope with a pandemic or other crisis. For example, in one state, massage therapists were unable to work during the

pandemic because of social distancing orders. One CDBG-CV funded program helped a massage parlor business owner to change her career and funded her job training to work in the field of medical transcription. This allowed a business owner to start a brand-new career in a field with high demand and still earn a living throughout the pandemic.

- 4. Consider hiring a consultant to vet questions about program requirements and application materials. This will help a CDBG-CV program address compliance issues quickly.
- 5. Be able to offer hands-on support for small businesses at the local level because it isn't always included with federally funded programs.

Case Study: Springfield, MO

Event Center for Weddings, Proms and Local Events Population: 168,568

The Savoy Ballroom Event Center Dance Studio, located in the Commercial Street National Register Historic District of downtown Springfield, is surrounded by older, lowerincome neighborhoods. The Savoy Ballroom is a husband-wife owned event center that hosts weddings, receptions, luncheons, and proms along with adult ballroom dance classes. Their bartenders, servers and dance teachers are all subcontracted employees, so they did not qualify for much PPP assistance, nor did they qualify for the Shuttered Venue Grant program. The owners did receive assistance from an Economic Injury Disaster Loan (EIDL) but used it sparingly because they were concerned about taking on additional debt in such uncertain times. The City of Springfield provided them with a \$10,000 grant from Round 1 of its CDBG-CV funds and then an additional \$10,000 grant from Round 3. This business was the couple's sole source of income. Because local requirements due to COVID were impacting their business so profoundly and other federal grant programs were not designed for their business model, the City of Springfield was able to step in with the CDBG-CV funding to provide them assistance during a very trying time. As a result, the Savoy Ballroom is now in constant use, jobs have been retained and created and the business is thriving.

Case Study: Aiken, SC

Family-Owned Restaurant

Population: 31,401

What's Cookin' is a popular family-owned restaurant located on one of the main streets of downtown Aiken. Prior to the COVID-19 pandemic, it was an eat-in breakfast, lunch, and dinner restaurant. When the restaurant was forced to end sit-down service due to COVID restrictions, sales decreased by 60 percent, despite increasing takeout orders. The family owners worked without pay so that the other employees would not lose income or be laid off. The restaurant had to adjust to serving pre-cooked meals that could be ordered and then

picked up, essentially becoming a take-out restaurant. With his CDBG-CV loan, the owner was able to pay utilities, rent, and retain 15 full-time time positions and two part-time positions. He increased operations to 80 percent of normal business levels once he received the CDBG-CV loan. The owner is pleased with the way the city stepped up to help a small business, such as his restaurant.

Finally, remember that business recovery programs strengthen the social fabric of communities, regardless of the grant or loan amount. When local community members, such as retired business executives, university professors, or volunteers step up to assist your local businesses, this has a real impact. The success of a CDBG-CV economic recovery program stems from a high level of intentionality in a grantee's marketing and outreach efforts, as well as establishing vital technical support and mentorship throughout the program to keep businesses engaged.

II. Public Services

Since the onset of widespread pandemic restrictions in March 2020, the highest number of requests for assistance has been for public services. The public services cap was eliminated for all coronavirus-related activities funded with 2019 and 2020 annual formula CDBG funds, as well as CDBG-CV funds. This allowed for an exponential increase in the amount of funding than grantees typically applied to such activities. HUD allowed grantees to carry out any CDBG eligible activity with CDBG-CV funding and grantees found innovative ways to to prevent, prepare for, and respond to coronavirus. These activities included, but were not limited to, food banks; youth services; health care services, including mental health assistance; broadband access; childcare services; and senior services. The overwhelming majority of CDBG-CV expenditures on public service activities has been for emergency subsistence-type payments to individuals and families for food, utilities, and housing. Whatever coronavirus-related public service activities are carried out, the key to rapid implementation is to have a flexible strategy in place so that as the crisis intensifies, the community is prepared and can also pivot quickly to new activities as needs change.

A. Implement a Public Service Strategy for Emergencies such as COVID-19

- 1. **Grantees should educate themselves on CARES Act guidance**, resources, and webinars with respect to how CDBG-CV funds may be used for public services. They can start here with the CDBG-CV Toolkit:
 - https://www.hudexchange.info/programs/cdbg-cv/cdbg-cv-toolkit/introduction/
- 2. Target your CDBG and CDBG-CV dollars to residents in greatest need as quickly as possible. Use real time data to locate your community's low-income disabled, senior and homeless populations. Partner with regional social service agencies such as United Way, Salvation Army or social service hotline and triage agencies to increase capacity of their 211

or 311 telephone hotlines during an emergency, such as the coronavirus. The goal is to expand your jurisdiction's ability to take more calls from residents who need assistance. Also, ensure that these hotlines are collecting information about services that are in demand but do not yet exist or are lacking in your community. From your 211/311 dashboard, you will learn the priority needs of your lower income households.

- 3. Communicate with all city and county Departments During a global pandemic it is vital to break down the silos of each jurisdiction's departments to serve a common mission. Grantees should work closely with all departments involved in the delivery of public services. Departments to naturally include in this effort are the Community Planning and Economic Development, Health, Parks and Recreation, Public Safety, Community Resources, Emergency Management, and Housing Departments. This way they can capitalize on all the knowledge, skills, and resources of each unit. Maintain ongoing communication and coordination with community partners, first responders, and your regional Housing Coalition members to provide direct assistance to those most in need. First responders, police and fire departments especially, often provide different, yet very effective avenues for public service delivery. CDBG-CV best practices, for instance, have included the use of fire departments as a frontline resource to triage, treat, and transport the critically ill. One grantee even used off-duty fire department personnel to assist in vaccine distribution. Think of ways in which CDBG-CV funds can alleviate the burden that covid-19 has placed on hospitals and other medical facilities.
- 4. **Meet the needs and hear the stories of frontline workers** Ask the front line and essential workers what they need. They are also highly experienced in distributing resources to those who have no social safety net and can provide data on community needs from real-life experiences. Get on a first name basis with key staff at local health, fire, and police departments. Yuma, Arizona (see case study below) was able to use CDBG-CV funds to great effect in serving this population.
- 5. **Prepare a chart of priority activities with a budget**. If a community has received other federal or state CARES Act funds, prepare a chart of activities which ensures that the only CDBG eligible activities will be funded with CDBG-CV and that other ineligible, though still high priority activities, will be funded separately.
- 6. Communicate the need to avoid a Duplication of Benefits (DOB) to potential applicants. Though mentioned elsewhere in this report, it is worth repeating the steps that grantees need to take to ensure that adequate measures are taken to prevent a duplication of benefits. Ensure that all applicants sign an affidavit, as part of their application, indicating how much they have received from other funding sources to address the impact of COVID-19 in their communities. Include the appropriate subrogation agreement or similar clauses in your subrecipient agreements. Ideally, CDBG-CV grantees and their subrecipients will use prepopulated online forms, linked to a software system containing a database of known funding sources, so that a duplication of benefits is avoided from the start. In addition, continue to

educate community partners about duplication of benefits requirements during monthly community and Regional Housing Coalition meetings.

- 7. **Remember to fund the activity, not the entity**. For example, if funding a food bank, fund the food and food distribution to clientele impacted by COVID-19, or the repair of the heating system at the food pantry (if that is needed to support eligible food distribution), but not an overall funding deficit at the agency.
- 8. Review the needs assessment in the Consolidated Plan and recognize the increased demand for services during the pandemic.
- 9. **Spend CDBG 2019, 2020 annual formula and CDBG-CV grants wisely** on public services. Remember that the public services cap is eliminated for this set of funds only, so think about how these funds can be leveraged with other local, state, and federal funds, and carry out other housing and community development priorities with other funding.

Case Study: Yuma, Arizona

Child Care Services – SHINE Childcare Program

Population: 218,137

The city of Yuma, Arizona's SHINE childcare program has been serving its community for more than ten years. SHINE took over management of the city-owned Boys and Girls Club in February 2020, and after six weeks they had to close their doors due to the coronavirus. The program is operated by the Arizona Housing Development Corporation (AHDC), which in partnership with the Housing Authority of the City of Yuma provides rental units under its HOME program through the low-income housing tax credits. In addition, it provides social services to over 1,500 families throughout the city, including childcare services.

At the onset of the pandemic, SHINE's leadership saw a critical need to assist front-line health care workers with childcare services for their kids, but they didn't know where to turn to for help. The Neighborhood Services Division of the City of Yuma provided an opportunity to secure funding for essential programs and resources to continue its services. The City of Yuma acted swiftly in acquiring the available funds offered by HUD and worked diligently to inform the community. The SHINE childcare program then applied for CDBG-CV funds in May 2020. SHINE's director and her team coordinated an all-day multi-week summer camp and cared for dozens of youth, which allowed many essential workers to continue their important work during the start of the pandemic. These families were offered the most affordable daycare services in town, ironically, at a time when most others were shutting their doors. One mom, a nurse working in a local hospital helping other families impacted by the Coronavirus, was able to enroll her kids at SHINE. They have been learning about kindness, respect and community responsibility whether with Zumba in the gym, a theater performance class or arts and craft projects. The SHINE Childcare Program kept their doors open so that essential health care workers could report to the hospital in a time of crisis.

B. Eligibility Criteria for Funding Service Providers

Grantees found that spelling out clearly the requirements for public service providers to follow expedited the expenditure of CDBG-CV funds.

- 1. Besides the basic CDBG eligibility criteria, grantees need to ensure that an activity meets a CDBG national objective, such as having a low/mod income limited clientele or area benefit. Once those criteria are met, establish local eligibility criteria for funding activities that tie back to coronavirus and address specific community needs.
- 2. Prepare a list of eligibility criteria that clearly outlines the factors that will be taken into consideration before a service provider will be funded in response to coronavirus.
- 3. Collect proof of non-profit status from the agency or organization that has applied for CDBG-CV funding.
- 4. Ensure that a subrecipient agreement is signed before any CDBG-CV funds are distributed.
- 5. Make the receipt of reports and accomplishment data a requirement for processing any invoice for payment.

C. Outreach – Targeting the Most Vulnerable in the Community with a Variety of Public Service Activities

A hallmark of the CDBG Program has been the overall benefit requirement that at least 70% of funds spent serve low- and moderate-income persons. For decades, grantees have far exceeded that requirement and have spent on average, nationally, close to 95% of their CDBG funds on activities that benefit low/mod income populations. Grantees in this study offered the following suggestions for smoothing the application process, ensuring that CDBG-CV resources reach the most vulnerable populations in the community, and addressing specific needs:

- 1. Ensure that local notices of funding availability (NOFAs) for CDBG-CV grants clearly communicate what CARES Act funds can be used for, while stressing the importance of avoiding any duplication of benefits (DOB).
- 2. Local NOFAs should be distributed widely through a variety of means (e.g., emailed; mailed; and announced to housing and service providers, the region's Housing Coalition partners, local businesses, legislative bodies, and jurisdiction department directors).
- 3. **Depend on social service partners to provide for their neediest clients first.** Make them aware of application materials and address the most vulnerable first such as the frail elderly,

the homeless, and the disabled. In addition, fund public services for those who don't speak English as their first language, and families who depend on free or reduced fee school lunches. Reach out to service provider organizations that address domestic violence, child abuse and neglect. Bring together diverse community voices to address the gaps in services within your jurisdiction.

- 4. Devise a method for receiving documentation from individual applicants or service providers, given that offices are often closed to the public during spikes of coronavirus. Accept photographs of documents via email and text or allow hard copies to be dropped off through a government office mail slot. Consider implementing an electronic or web-based grant management system to allow for online submissions of applications and supporting documentation.
- 5. Set up strategic vaccine sites for low-income residents and essential service employees. During any pandemic, once a vaccine or booster is developed, their distribution will be a top priority. Establish a place of distribution that can receive, store, and administer vaccines. Choose strategic locations, ideally in areas where there is easy access to public transportation. To reach low-income residents, set up pop-up or mobile vaccine sites near faith-based organizations, government buildings, recreation centers, shopping centers, community centers, and any place where they may frequent. Coordinate vaccine distribution with the fire department and the local public health department. Prioritize the vaccinations for first responders, healthcare providers, critical judicial service employees, essential city workers, essential businesses, followed by the most vulnerable in the community such as seniors and those with pre-existing health conditions. To ensure a more rapid delivery of vaccines, consider purchasing a pharmacy refrigerator to assist the local fire department in administering vaccinations and booster shots. Provide a secure room for the pharmacy refrigerator, separate rooms with privacy for individuals receiving a vaccine, and allow for appropriate levels of social distancing.
- 6. Provide emergency grant payments to service sector workers who have lost their jobs. At the start of a pandemic, recently unemployed hotel workers, restaurant servers, theater workers, bartenders, store clerks, and other service sector workers often have no other supports for daily living expenses. Speak directly with former employers and landlords to locate them; put fliers up in your jurisdiction, notify traditional news outlets of funding availability and post notices on social media outlets. Offer emergency grant payments to landlords so that tenants can remain in their homes and lessen the spread of the virus. Use health care data to see the areas that have been most severely impacted by coronavirus and target those areas first.
- 7. **Provide financial services to low- and moderate-income homeowners** Reach out to local credit unions, banks, Habitat for Humanity affiliates, and the homeowner lending divisions of state housing finance agencies to identify gaps in financial services for low-and moderate-income (LMI) homeowners. Grantees may find that there is more assistance available for

LMI renters, but far less assistance available for LMI homeowners to help pay their mortgage, especially those who have lost their jobs because of the pandemic.

8. Develop an emotional wellness campaign for seniors and the disabled. Recognize the impact that social isolation, illness, and grief have on those who are less mobile such as your seniors and disabled. Ongoing post-COVID pandemic mental health care may be necessary. Grantees should consider funding an emotional wellness campaign with community organizations and other city departments, such as their fire departments or behavioral health departments to help seniors, the disabled, and infirmed. See the Livonia, Michigan case study below for one example. Some CDBG-CV grantees are developing a "Mental Health First Aid Kit" for their staff to identify the mental health needs of seniors and the disabled. There is an urgent need in many communities to remove the stigma associated with receiving counseling and therefore it's important to offer it to seniors who feel ashamed to talk about it. Seniors often claim that they are not suffering from anything, so they need help in recognizing the signs of stress to recover their emotional wellness. Mental health awareness is a win-win for everyone as it contributes to the wellbeing of an entire community.

Case Study: Livonia, Michigan

Emotional Wellness Campaign for Seniors

Population: 92,957

The city of Livonia, Michigan is expanding its Fire Department's *Yellow Rose Campaign* to reduce the stigma of mental illness within their senior housing networks. Housing staff will be encouraged to wear t-shirts displaying its logo for a month-long campaign. These t-shirts will be distributed throughout Livonia senior facilities. The city plans to include pre-crisis mental health first aid, which is a public education program that helps individuals across the community understand mental illness and timely intervention to save lives.

The City of Livonia is currently partnering with Detroit Wayne Integrated Health Network, to train all housing professionals and equip them with resources and toolkits to provide emotional wellness support to seniors. Emotional wellness seminars are also currently being provided to seniors throughout Livonia. The goal is to reduce senior social isolation in the hope that it also diminishes their anxiety with COVID, the depression that they've been experiencing, and give them a platform to provide or gain peer-to-peer support.

Seniors who want to take on a leadership role will be provided the opportunity to participate in a separate mental health first-aid training. Upon completion, they will take a pledge to support other seniors, receive a certificate, and then be provided with the tools and resources necessary so that they can help their neighbors and friends. This program is going to be called the *Senior Ambassador Program*.

The objective is to create a united front, using these partnerships and change the community's culture around mental health and emotional wellness. As of June, 2022, the city of Livonia has trained twenty-five seniors through their "ambassador program" within its mental health

training program for senior residences. Additionally, the city has conducted outreach and written cards to four hundred seniors, providing resources and connection as part of their emotional wellness program.

D. Follow-up with Service Providers to Assess Impact of CDBG-CV Assistance on the Community

As the coronavirus changes in strength, it is recommended that CDBG-CV grantees gather and hear from all subrecipients, partners and contractors to understand the impact their CDBG-CV programs have had on the most vulnerable in each of their communities and to understand their evolving needs. This way, they will be positioned to meet the gaps in the service delivery system in their jurisdictions.

CDBG-CV grantees need to gauge the continued impact of coronavirus on their communities, as people recover from the virus or adjust to loss of business or employment. The residual impacts of the coronavirus will continue to force grantees and political leaders to identify needs and develop an even greater awareness of their communities as a whole.

Case Study: Idaho Falls, ID

Shelter for Single Adult Men

Population: 64,618

In the City of Idaho Falls, the need for emergency housing and shelter for adult men had been a concern for many service and housing providers prior to the pandemic. Because many of the shelters and facilities only take women with children or families, single adult men are challenged with finding affordable, temporary, emergency housing. This became an even bigger challenge during the pandemic. The issue was a familiar topic to many serving the community local Region 6 Housing Coalition and its partners who provide outreach to the homeless. Through open communication, dialogue, and referrals from among service providers, a local faith-based organization came up with a solution. Idaho Falls collaborated with the Trinity United Methodist Church to jointly expand their temporary emergency men's shelter. What started out as a temporary solution that provided emergency shelter, food, and basic supplies for six single adult men turned into a long-term solution that provided a Day Shelter for individuals to rest for the day, shower, do laundry, prepare a meal, and get connected with housing, medical, and job services.

The project went from assisting six adult men, to serving over 3,300 extremely low-income individuals from January 1, 2021, through August 31, 2021, an 1,800 percent increase. With the help of CDBG-CV funding, Trinity United Methodist Church can now meet the demand for shelter and assist those in need.

E. Lessons Learned from CDBG-CV Funded Public Service Programs

A few key lessons have emerged from the pandemic, to date, that will facilitate the use of CDBG-CV to fund public services.

- 1. Public service needs expand rapidly during a pandemic. Evaluate the ripple effects of pandemic-related stresses on public safety departments and other agencies that interact regularly with the public. Fire departments, public safety, medical and health departments are the most strained. If the city and county departments share their information and resources to prevent, prepare for, and respond to coronavirus, more public services can be provided.
- 2. Target assistance to the most vulnerable citizens at greatest risk of losing supports for daily living: seniors, people with disabilities, LMI families/children, non-English speakers and people experiencing homelessness.
- 3. Develop a strategic plan, revisit it regularly, and update as needed.

Case Study: Fargo, ND

Mobile Health and Dental Care Van

Population: 125,804

In response to the closing of a homeless health care clinic, the city of Fargo's subrecipient, *Family Health Care*, purchased a forty-foot-long moving van. The city converted it into a medical and dental clinic to provide affordable health care. With this mobile clinic, Fargo is now able to bring medical services directly to homeless, disabled, and low-income individuals. Health care workers in the mobile clinic provide COVID testing, vaccinations, exams, procedures, and dental care. It started to operate in October 2021 and serves patients living in under-resourced sections of the metro area, who are too fragile to travel to see a doctor or dentist.

This mobile health clinic was funded with private, federal and city funds. With this medical van, the City of Fargo can start to go out and meet patients where the services are most needed. Besides visiting schools and low-income neighborhoods, the mobile clinic plans to branch out to rural communities nearby, bringing affordable dental and medical care to underserved community members who often feel that they are left out. More than thirty-eight percent of Fargo's homeless population is either Native American or African American and this community often has higher risks for COVID and other lifelong diseases such as diabetes and hepatitis.

There were several delays in the production of the mobile health care van. The biggest challenge of procuring the mobile health clinic were global supply chain delays. The materials were on back order for the hydraulics, the generator, and for accessibility components. During the pandemic, manufacturers have been coping with computer chip

shortages, sick employees with COVID, and a truck driver shortage to deliver parts, which delayed the delivery of the mobile health van. Below is a link to a short video featuring Fargo's mobile health and dental care van:

 $\underline{https://www.inforum.com/newsmd/health-news/7193609\text{-}Family-HealthCare-launches-}\underline{mobile-clinic-to-meet-patients-where-they-are}$

III. Public Facility Improvements

There are numerous ways that CDBG and CDBG-CV grants may fund public facility building improvements in response to the coronavirus. Grantees may rehabilitate a community facility such as a food bank, a health center, or senior and youth facilities to enable adequate social distancing without reducing capacity. Grantees and their subrecipients may renovate a commercial building or public facility, by replacing the heating, ventilation, or air conditioning (HVAC) to improve indoor air quality and ventilation. By upgrading shelters or school buildings, grantees improve public health and prevent the spread of coronavirus. Grantees may also fund operable windows and make other permanent improvements to a public facility that can ensure its continued usefulness during an outbreak. Communities may need to acquire, rehabilitate or construct a group living facility to prevent the spread of coronavirus among vulnerable populations. This could serve a variety of subpopulations such as the disabled and frail elderly and include renovations to nursing and senior care facilities, treatment centers, and assisted living facilities. Additionally, grantees may want to consider installing and extending broadband infrastructure in an underserved area, to support distance learning and telemedicine. Another way that grantees may assist public facilities is to fund improvements to a park serving a low- and moderate-income area to provide suitable outdoor fitness and social space where insufficient facilities may have previously existed to support social distancing guidance. This section of the report will point to some best practices for grantees to consider, in general, when assisting public facilities. It will also present items to keep in mind when assisting specific types of facilities, such as health care centers and food banks.

A. Best Practices for Renovating a Public Facility in Response to a Pandemic

- 1. Maintain open communication between organizations and the community Local CDBG staff, other city staff, and political leadership should already have an ongoing, open dialogue with the community. Identifying your jurisdiction's needs must be done rapidly in a crisis such as the COVID pandemic. There is no time to create a structure for gathering and disseminating information. Existing lines of communication with local organizations will prioritize public facility renovations in service to the most vulnerable in the community so that they are able to socially distance in response to coronavirus.
- 2. Use **connections in the community via social media and word of mouth.** Your mayor or county executive is encouraged to hold daily COVID strategy meetings with department heads who can then immediately spread the word through their community connections,

social media, and other existing outlets about ways that public facilities may be improved to respond to the coronavirus.

- 3. Use existing project management systems to expedite your public facility project For grantee community development departments that have never implemented small-scale public facility improvements, use your existing program processes and procedures from your jurisdiction's CDBG Housing Rehabilitation Program, for example, to conduct procurement, construction administration and monitoring, record keeping, and compliance activities to ensure timely project completion and overall compliance with CDBG and CDBG-CV guidelines. See the experiences of Middletown, NY, in the case study below for an example.
- 4. Phase the project to keep project costs down and to assist with oversight By phasing the construction on a public facility, you may be able to keep project costs down, limit the impact of supply chain delays, reduce the amount of the original bid, and keep funds moving. Work with the different trades and construction companies to negotiate costs.
- 5. Create a budget with a contingency plan Know that due to global supply chain issues during the pandemic, the fluctuations in cost and material availability during a crisis are unavoidable and will affect budget and project completion timelines. Be sure to account for these contingencies when budgeting.

Case Study: Middletown, NY

Project: Overnight Emergency Warming Station

Population: 28,427

In 2020, the City of Middletown, NY rehabilitated a vacant city-owned property to convert it into a seasonal warming station and emergency shelter to provide social distancing for those experiencing homelessness. The Greater Middletown Interfaith Council (GMIC) had been operating the emergency shelter in the basement of a local church since 2008. While the shelter was primarily operational in winter when outside temperatures dropped to dangerous levels, it had become overcrowded. Discussions among GMIC, Orange County Social Services, and Middletown Emergency Housing Group were already underway about how to address this situation when the pandemic struck in January of 2020. Together, a new plan was formed to move the warming station and shelter to another location that would also include the necessary social distancing provisions. The city had to move quickly and because it had an existing housing rehabilitation program through its CDBG program, it was able to renovate the location rapidly. The facility now safely shelters thirty persons for overnight accommodations during the cold winter months and provides a variety of social services and hot meals. It will serve approximately 3,600 homeless guests per season. The warming station provides dividers and privacy panels, so the thirty persons, who stay for the night, are evenly spaced, and have barrier protection. CDBG-CV funds have been instrumental to the success of being able to provide a safe, warm space during inclement weather.

B. Expand Health Care Centers and Support Mental Health Facilities

The pandemic drove an increased demand for mental health services. The topics discussed below mainly concern the provision of mental health services and not public facility improvements per se, but the concerns raised are still important when considering the construction or rehabilitation of a facility providing such services.

- 1. Ensure your mayor and city council support mental health wellness clinics If there is an increased need for mental health counseling in your community due to COVID isolation, share stories with local leadership and provide a plan of how to address the demand. Grantees will need the commitment of political leadership to provide training, to fund "popup" mental health wellness clinics, or to repurpose a vacant or underused city building as a mental health outpatient clinic.
- 2. Convert a vacant space into a behavioral health clinic. Consider converting a city or county owned building into an outpatient behavioral health clinic or purchasing a hotel from which the owners are looking to divest. Ideally, it would be located near bus routes and facilities for seniors and the disabled who have the least amount of mobility. National surveys indicate that seniors and the disabled have greater mental health needs because they experience challenges at proportionately higher rates than the general population due to higher coronavirus infection rates and isolation. Ensure other sectors of the population gain access to emotional health resources. Do not neglect often unseen subpopulations such as adolescents who may misuse substances to cope with the stress of family deaths, illness, isolation, life uncertainty, anxiety, and job loss.
- 3. Work with the local Board of Health as it will need to license an outpatient behavioral health clinic for it to operate. With access to mental health services established in a set location, it may make sense for the local public health authority to set up corollary health services nearby, such as a COVID testing and vaccination center.
- 4. Use mental health data from local agencies and survey residents. Seek information from both local nonprofits and community surveys that take a "pulse" on mental health needs in your community. The National Center for Disease Control publishes a weekly mobility and mortality report and the June 2021 report indicated that 40 percent of adults nationwide who responded to this survey, reported at least one adverse mental or behavioral health condition. Collect information on anxiety, depression, trauma, and stress, and increased substance misuse to cope with the impact of COVID. If a fire department is administering COVID vaccines, it may be an excellent source of information on gauging the mental wellness of those they are vaccinating. Grantees will likely discover that both locally and nationally, there is an unmet need to address emotional wellness.

- 5. Collect information from beneficiaries while providing services. When interacting with beneficiaries receiving employment, housing, or other social services, ask residents to complete a short survey regarding their emotional wellness. Inquire if they are aware of a need for mental health counseling in their housing complex or senior residence. If any suicides are reported, ensure that a program is implemented as soon as possible. (See case study of Livonia, Michigan above as an example of an emotional wellness campaign.)
- 6. **Ensure the mental health clinic can be accessed discreetly**. There is stigma and shame among many who seek mental health counseling, especially among domestic abuse victims. Ensure that clients can enter a clinic in a discreet fashion and that there is sufficient privacy for patients.
- 7. **Document improved mental health outcomes** whether through surveys taken after patients receive services or when counselors see positive outcomes, such as a noted reduction of alcohol use, a reduction in substance misuse, or an increase in job placements among patients.

Case Study: East Providence, Rhode Island

Project: Outpatient Mental Health Clinic

Population: 47,139

Amelia's Story* One household was struggling with mental health in East Providence, Rhode Island. Amelia was a five-year-old little girl living with a single mother in 2020 when her mother passed away. Her grandmother brought her home, but it was soon after that the grandmother lost her job because of the pandemic. This caused the grandmother to become extremely depressed and anxious; she became withdrawn, and Amelia was not getting the support and access to her grandmother that she needed. As a result, Amelia exhibited signs of an anxiety disorder. Fortunately, a local nonprofit became aware of their mental health struggles and referred them to one of the city's mental health clinics and they were provided counseling and therapy methods for coping with the stress and the loss of a loved one. Amelia is now a happy, six-year-old, little girl living with a fully employed grandmother who is also no longer depressed.

C. Strategies for Expanding Food Banks during a Pandemic

Many communities had to close their food banks at the onset of the pandemic to avoid the spread of the coronavirus. A large portion of the workforce were required to stay home from work to care for children since schools and childcare centers were closed. Some nonessential businesses had to close their doors during the escalation of the pandemic. Other businesses were able to stay open, however, employees were worried for their own health and the health of their families and were unable to go to work. This led to more people facing a decline in their income which meant less money for food and other basic needs. To make sure that food-insecure clients

^{*} Permission to share the story was obtained and identifying details were changed

in the community continue to receive food after buildings close in your jurisdiction, the following strategies are recommended:

- 1. **Move food banks outdoors** Break from the norm of permitting households to come into the food pantry and choose what they want, to ensure social distancing. Invest in shelves that can be wheeled outdoors where staple food items can be distributed to individuals in cars on specific days each week. Keep customers outdoors and wheel food to their cars in grocery carts to limit the transmission of the virus.
- 2. **Purchase large capacity refrigerators/freezers** The increased demand for food requires increased space for refrigeration to preserve it. The installation of large refrigerators is an eligible public facility improvement, if permanently installed, or as a public service, if they are mobile refrigerators ones that can be wheeled in and out of a food pantry. During a pandemic, this will come into use not only for preserving food but storing vaccines and booster shots, should a "pop-up" vaccine site appear at the food bank.
- 3. **Know your clientele** Survey new clientele, about the types of non-perishable food staples they prefer, given that fresh food may not be available. During a worldwide crisis, your food bank may serve people who it would not traditionally serve. Consider that there may be a need to be culturally or religiously sensitive to what a household may eat. Partner with schools, ethnic and faith-based organizations and community service agencies that serve immigrants, to ensure that you are distributing food to those who have the greatest needs. Be aware that you may have people who receive food that would prefer not to be listed in your database. Show sensitivity to families and individuals who do not want to share personal information.
- 4. **With increased demand, conduct food rescue**. Work with local grocery stores, fresh markets, and local farmers, to pick up foods that would otherwise be thrown out, if not sold. Collect items such as take-and-bake pizzas, prepared fresh vegetables, and fruits and other ready to eat, heat and serve foods. Make sure that the distribution of perishable foods is conducted in accordance with requirements established by food inspectors and public health authorities. Partner with existing organizations, like *Farm to Table*, that offer food boxes containing such things as lettuce, tomatoes, potatoes and other fresh fruits and vegetables that farmers know will go to waste if not eaten within a week's time.
- 5. **Increase partnerships** Tap into existing networks and consider partnering with the local Area Interfaith Council and senior services departments. During the pandemic, these organizations may be receiving more donations than they can refrigerate, and they may be an excellent source of food supply for existing pantries. Grantees may also have access to regional and statewide food banks that act as "wholesalers" with local food pantries.
- 6. **Expand hours of operation** Stay open more than a few days a week and advertise those expanded hours when the virus is at its peak. Donate bread and food rescued each morning, by opening early. Allow clients to pick up food multiple days at different hours to reduce food insecurity. Increases in stock of the most desired foods will be necessary to meet the increased demand.

7. Advertise your food bank through social media and email lists - Notify regular food bank customers to spread the word among families who may lack food. Other ways to advertise include posts on Facebook and other social media. Email subrecipients and other program partners found on citizen participation lists used for Con Plan citizen participation purposes. These postings may lead to more food donations.

By acting quickly during an emergency, grantees can make a difference in the quality, variety, and amount of food offered. Because food is a basic human need, food pantries have an opportunity to offer the public more than just security for their next meal. Food bank and grantee staff can seize this opportunity to develop stronger relationships with community members. Grantees will also learn about the lives of the people being served and be able to identify other service gaps in their community.

D. Broadband Installation Strategies for Communities without Internet

The installation of high-speed broadband has been vital to increasing telework opportunities, access to health care providers through telemedicine appointments, and distance learning during the coronavirus. While telework and telemedicine have been in greater demand than ever before, distance learning for many low-income communities was unavailable at the onset of the pandemic. In general, school districts learned that many households were without computers and access to sufficient internet connections for students to participate in the online learning environment. CDBG-CV grantees have been working to ensure that children of under resourced communities have access to reliable internet and have the technology in their homes to participate in on-line school. Below are some best practices that grantees have implemented to increase internet access:

- 1. Partner with different broadband initiatives in your state or local government. Set up a multi-stakeholder body to advise the executive and legislative branches on broadband policy. A typical policy may include your jurisdiction's broadband goals and a comprehensive assessment of digital inclusion or gaps. This way your region may develop strategies for unlocking the benefits of universal access to broadband for all communities in your jurisdiction or state. As a task force, consisting of 10-15 members, this body may create an annual report with a status update each year. The report can address areas such as:
 - the needs, barriers, issues, and goals for broadband access;
 - the needs and use of broadband in various sectors;
 - digital inclusion definitions and the benefits, needs, and strategies for addressing identified gaps;
 - availability and accessibility for unserved and underserved populations;
 - advances in broadband technology;
 - opportunities to coordinate with other levels of government; and
 - a continued review of the adequacy and appropriateness of the broadband goals.

If the state has an on Office of Broadband Access, solicit their advice or reach out to experts in the field. Also, do not forget to include local departments of public works and economic development in the broadband conversation.

- 2. Conduct outreach and send out a survey to all your communities that lack internet access. Work with the redevelopment authority, or a similar agency, to make phone calls, send emails and public notices. The goal is identify the critical needs of residents and businesses with limited or no broadband service. Reach out to existing social networks in your community to identify the needs.
- 3. **Find ways to leverage CDBG-CV funds for broadband service**, whether it be through competitive grants, American Rescue Plan Act (ARPA) funds, state grants or new federal infrastructure grants. Work with the jurisdiction's political body to review the broadband installation project and expedite the contract award.
- 4. Prioritize which regions in your jurisdiction will be funded first and whether the scope of work will include a rural community's tranche lines, for instance, or create hotspots with wireless access within a 1,000 linear foot radius. Consider using a software mapping system to get a clear picture of which areas need services. Collect data from broadband service providers, have it reviewed by a third party, and verified if questions are raised. Data should be collected annually, and the maps and data online should be updated each year. Grantees may want to expand existing internet service or solely fund hotspots. Hotspots can be set up at public buildings, such as libraries, community centers, schools, and inside school buses. The goal is for residents to visit these public places and connect to free Wi-Fi. They can either sit in the parking lots or if the buildings are open, they can go in, access the free internet to do schoolwork, conduct business, or even have telemedicine appointments.
- 5. **Be familiar with requirements for internet services**, such as the installation of a minimum of one gigabyte upload and download capacity, assisting in fiber installation and upgrades to the upload and download speeds. Grantees may gain valuable insights from working with their peers in other parts of the state where internet is already available. They may be able to provide guidance based on their experience with internet installation. Requirements will vary for mountainous areas where it is more challenging to install Internet access lines and connect them directly to residential and public facilities. It may be worth overcoming these obstacles given the need for social distancing and the clear way in which broadband service installation meets the CDBG-CV requirement to tie back to coronavirus.
- 6. **Design applications for funding for broadband improvement** and have a separate application based on what the applicants request -- internet as a public service, retrofitting buildings for Wi-Fi installation, or commercial rehabilitation to upgrade broadband services.

- 7. **To increase internet services for educational purposes**, consider a partnership among the state's Departments of Education, Labor and Employment, and Community or Economic Development. Include the national non-profit, *Connected Nation*, and representatives from:
 - the state's Education Technology Network,
 - the state's School Board Administrators,
 - the state's School Superintendents,
 - the state's Rural Education Association and
 - the state's Association of Charter Schools whichever departments and associations exist.

The goal is to ensure that all students and teachers in the state or jurisdiction have access to scalable infrastructure, high-speed affordable bandwidth, and universal access for distance learning. Educational support is vital for low- and moderate-income students impacted by school closures due to the coronavirus. Providing access to online instructional materials and classes allows students to attend virtual classes and bridge the "homework gap" that occurs when broadband access is not available. Educational resources can also help students to prepare for college and apply for financial aid. It is recommended that the broadband initiative should meet monthly to share information and ideas to ensure internet services increase in the jurisdiction on a consistent basis.

The pandemic has exposed societal disparities that exist at many levels. Broadband or access to reliable internet has never been more important for local economies to remain competitive. CDBG jurisdictions continue to explore this concern and are recognizing with increasing frequency that internet access ought to be considered as vital to the health of their communities as electricity or water.

IV. Non-Congregate, Interim and Affordable Housing

In its COVID-19 Housing Resource Roadmap, the Federal Emergency Management Agency (FEMA) identified the top housing challenges during the Coronavirus pandemic. They included nonpayment of rent or mortgages, housing, and service needs of homeless/vulnerable populations, reduced temporary housing, and reduced shelter capacity. The strength of the CDBG-CV program is the flexibility it allows for addressing these challenges. Grantees may respond to living conditions, such as mold, lead-based paint, and poor ventilation associated with more severe coronavirus disease or poorer post-COVID health outcomes by providing grants or forgivable loans for rehabilitating homeowner housing to comply with standard building codes and public health advice.

CDBG-CV grantees may respond to residential over-crowding associated with the coronavirus spread, with those who experience more severe coronavirus disease and poorer post-COVID health outcomes, by acquiring property for new construction of affordable housing funded from another source. With CDBG-CV funds, grantees may also respond to residential over-crowding associated with coronavirus spread by constructing affordable housing as part of a neighborhood revitalization project carried out by a Community Based Development

Organization (CBDO). Another activity grantees may pursue is using CDBG-CV funds for the adaptive reuse of a vacant or abandoned commercial structure for affordable housing.

Since the onset of the pandemic in early 2020, many unhoused people were extremely vulnerable to COVID-19. Typically, people experiencing homelessness have congregated in places such as libraries, day centers, or coffee shops, but these places were closed during the onset of the coronavirus. Everyone was mandated to shelter in place and socially distance. People experiencing homelessness were extremely challenged because they couldn't shelter when they didn't have any place to live. Even shelters were at reduced capacity due to social distancing orders. Large gymnasiums and other places that could usually accommodate many people could no longer do so safely. The pandemic posed a very serious threat for the homeless population because the virus could spread easily in congregate living facilities so other options for housing had to be considered. In addition, many people who are experiencing homelessness have multiple health challenges, including serious mental illness and substance use disorders, which can lead to poor outcomes if they do contract coronavirus.

HUD has identified the sheltering of homeless persons in motel or hotel rooms as a best practice to enhance social distancing, reduce coronavirus transmission rates, and provide adequate quarantine facilities for the homeless with coronavirus. It is this use of funds that we are focusing on to address an interim housing crisis caused by the pandemic.

Many CDBG-CV grantees throughout the country have made the challenging decision to rent or purchase motels or hotels to be used for temporary housing. There have been many positive outcomes from this transition. Each homeless person or family now has their own private space and access to their own bathrooms which is vital during this coronavirus pandemic. The ability to have access to other amenities such as televisions and Wi-Fi is also an advantage for families who have children attending school online or who have members seeking employment. In turn, during the onset of the virus, hotels and motels were in dire need of business because travel had been greatly reduced and there were far fewer guests checking into hotels. Transferring the homeless from shelters to hotels presents an opportunity for the public and private sectors to be able to keep some hotels in operation while also being able to provide a safe space for those experiencing homelessness. For hotels and motels that do not plan to reopen, this presents an opportunity to grantees to purchase and convert these buildings to temporary housing. Purchasing a motel or hotel to use as interim housing for the homeless and equipping it to provide various supportive services, such as medical, housing and employment services, on site is a massive undertaking, especially during a pandemic.

A. Strategies to Purchase a Hotel to House the Homeless

There is a big difference between owning a facility, such as a hotel, versus operating a shelter that is maintained and owned by another person or entity. Below are strategies of how to purchase a vacant hotel during an emergency, such as a pandemic:

1. **Develop a focus group**. Meet with various stakeholders who will have a role in the purchasing process, who will be responsible for operating the property, or who can answer

questions about the process. Engage with community development corporations or other non-profit housing providers who have experience owning and operating multi-family housing. Evaluate the initial capital costs to purchase and/or make repairs to buildings for this use and how they can be funded from loans and grants. Take the operating costs of a building into account and how they can be funded. Incorporate the cost of any program or support services that will be included and how those service components can be funded. Determine if purchasing a hotel or motel is feasible and worth the investment.

- 2. **Learn from other jurisdiction's models**. There is no need to reinvent the wheel. If other states or municipalities have an effective temporary housing program in place, study it, and tweak it to suit the homeless population's needs.
- 3. Work on a solicitation process early.
- 4. **Use experienced development partners**. Defer to experienced real estate development and homelessness assistance partners to lead this effort. Grantees should remain in the traditional role of being a funder and long-term steward of the property if there is public ownership of the site.
- 5. Manage seller expectations of a high purchase price to compensate for losses that occurred during pandemic. During a pandemic, some hotel owners are going to sell but want to be compensated for their pandemic losses. States offer other programs for compensating businesses for losses during a pandemic. Do not succumb to expectations that the grantee and its partners should pay significantly above the appraised value of the hotel because the hotel had a financial loss during the pandemic.
- 6. **Be Flexible.** Flexibility is needed most in the approval process. Many projects and programs that are meant to quickly support victims of a pandemic get stalled in this stage. When purchasing hotels or motels to house people who are experiencing homelessness due to a pandemic, it is critical to bypass some of the hurdles that land use approvals may present. Streamline paperwork to expedite the process.
- 7. **Maintain constant communication with elected officials on progress**. These officials can often help you consider if there are any licenses, permits, or other approvals needed and can help expedite the process if they know what's going on at each stage.
- 8. Never compromise safety, but make sure that everything happens in a timely manner.
- 9. Partner with other state or county agencies and use their expertise. It takes more than the resources of a single agency to purchase a hotel or motel. A Department of Administrative Services or a purchasing department may be able to administer contracting for the hotel and negotiate rates. A real estate company may offer technical support in how hotels are sold and define what is acceptable and unacceptable communication with brokers and sellers. Realtors can also assist with appraisals. A tourism office can give you a list of all of the hotels in the state with all the contact information, and any detail you need, such as the number of rooms,

availability of space to set up a medical clinic or whether there is a commercial kitchen on site.

- 10. **Work with local transit agencies** to help transport the homeless from shelters to the new hotel or motel space, and to arrange transportation to interviews, jobs, medical appointments, and other social services that aren't provided onsite.
- 11. Work with public health departments to avoid duplication of efforts to use a hotel for both the homeless and for hospital overflow, for example, when the virus variants spread rapidly, and more people will need medical attention. Health departments will have a list of all hospitals in your state and a data officer can prepare a digital map that shows exactly which hotels are being used for hospital overflow space and which hotels are available for the homeless. This avoids competition for the use of the same hotels or motels. It is not recommended to pursue the purchase of a hotel for non-congregate shelter if it is in very close proximity to a hospital that will need it for overflow space.
- 12. Find a Location and Hotel Site that is Ideal for Interim Housing Tenants. When servicing people experiencing homelessness during a pandemic, it is very important to identify locations that can eliminate overcrowding in existing shelters and provide for safety for not only those experiencing homelessness, but also staff. Find a motel or hotel for interim housing that is located near transit, job opportunities, and medical facilities. This is essential. A location near bus and or train lines and near a full-service grocery store and a pharmacy is ideal.
- 13. **Avoid older style motels** that you drive up to and enter from the outside, but instead try to find hotels with interior quarters for greater security.
- 14. **Grantees should be realistic about their present capacity**. Consider using a smaller hotel if a larger hotel is beyond its capacity to manage.
- 15. **Anticipate the possible need for zoning changes** and other land use approvals as the coronavirus wanes and is less of an emergency. Before purchasing a hotel, be sure to research what the potential obstacles might be whether the government or a non-profit purchases the building and a zoning change is required a year or two after purchase.

B. Provide Wraparound Services within the Hotels to Support the Homeless

People experiencing homelessness need regular support to address their multiple challenges. Some helpful tips for serving this population are listed below.

1. **Have the city or state create a hotel or motel voucher program** and take referrals from that coordinated entry system. This will help control admission and assure that those being admitted truly meet the definition of homelessness and have been vaccinated. It is not

recommended that you use a walk-in system. Partner with the local Continuum of Care (COC) for the homeless or with state service centers and use a coordinated entry system.

- 2. **Partner with the local police department** and allow them to bring in people experiencing homelessness directly from the street. For these emergency admissions, set up the hotel ballroom or meeting spaces and allow for people to sleep there.
- 3. Hold focus groups with people experiencing homelessness. To do this, go to where they can be found such as day centers. Talk to people experiencing homelessness about what supports they need in a temporary housing facility. Some of them will have a special need for additional medical and social services. Learn what they need and make sure that you develop a plan to meet those needs.
- 4. Partner with the main hospital or federally qualified health centers in the city, county, or state. Outfit a suite in the hotel to be a doctor's office that can provide all the needed medical, and healthcare services on site. Provide vaccine and booster shots onsite.
- 5. Partner with the State government to offer a state sponsored mental health clinic or federally qualified health center in the facility.
- 6. Partner with the local animal sanctuary to manage pet services. Some people experiencing homelessness have "service pets". Some pets are just companions but some are therapy pets that are vital to the person's well-being, so advertise that service pets are permitted at the hotel or motel.
- 7. Partner with your local non-profit organizations such as Meals on Wheels to provide meals. Some hotels will not have the facilities in place to be able to provide meals on-site.
- 8. Hire experienced case managers to provide case management services on site. This is critical. Case managers are needed to identify needs and provide wrap around services on site such as mental health and substance abuse resources for people experiencing homelessness. Before the onset of COVID, many people experiencing homelessness may have had a shelter for sleeping at night but nowhere to go during the day. Many wander the streets and may cause significant challenges for public spaces, private businesses and properties, visitors, and others. Providing necessary case management services inside of the shelter during the day may decrease nuisance activity in public spaces and private properties.

C. Transition to Affordable Housing

The need for permanent supportive housing is very high and the hope is that some temporary housing will ultimately become permanent locations for people experiencing homelessness to live and thrive. Transitioning from interim housing to permanent supportive

housing can be challenging if you don't begin planning for it at the very start. Here are some strategies.

- 1. **Determine how long the temporary housing program can sufficiently operate** with the available or committed funding and start planning for the long term immediately.
- 2. Consider placing an affordability covenant on the property that will expire after a set number of years as part of the program. This will help ensure that the facility is continuing to serve those most at need for years to come.
- 3. Work with the local public housing authority to convert some units in the interim housing facility into units permanently subsidized by project-based Housing Choice vouchers.
- 4. Consider housing non-congregate shelter residents several floors below permanent supportive housing units in the same building. Sometimes having their own apartment in a community can be unsettling and isolating for people who have experienced chronic homelessness.
- 5. Replace strictly shelter space with units containing more amenities. Everyone in those units should have access to their own bathroom and a small cooking facility. It doesn't need to be a full kitchen at the onset, but maybe a hot plate and a microwave, so that they can live independently there with the opportunity to access services that the shelter can provide.

Conclusion

This report outlined CDBG-CV best practices provided by grantees during the four-part webinar series. It provides strategies that CDBG-CV grantees may use to assist businesses and support economic recovery, to provide vital public services to the most vulnerable in our communities, to fund public facility and building improvements for people to maintain social distancing and to provide non-congregate housing to those experiencing homelessness, with the aim of providing permanent supportive housing.

Successful CDBG-CV grantees will need to continue to identify gaps and design their programs to drive pandemic recovery and revitalization for hard-hit or at-risk low- and moderate-income areas. The coronavirus pandemic has highlighted the importance of building resilience into our social and economic systems. This includes nimble economic development programs, neighborhood health systems, community infrastructure, and affordable housing programs.

CDBG-CV grantees are encouraged to take the lessons learned since the early months of 2020 and map out resilience plans. For economic development, this may mean prioritizing investments in shorter supply chains so that more products are manufactured locally and jobs are

created for the grantee's residents. For public services, it means ensuring that everyone has their basic needs of food, housing and health met. In addition, we have learned the need to narrow the digital divide by investing in high-speed broadband technologies to provide greater access to educational, medical, and economic resources. For public infrastructure, there is a need to develop community centers that have multiple uses, whether they be for providing vaccinations, resources, sheltering the homeless, or providing a secure and safe place during a natural disaster. For temporary and permanent housing, it means that shelter safe from the spread of the virus, affordable and including supportive services to help maintain long-term housing success for the most vulnerable.

Appendix

Resources - On-Line Tools and Guidance to Encourage CDBG Best Practices:

- CPD COVID-19 Grantee Guidance https://www.hud.gov/program_offices/comm_planning/covid-19
- CDBG-CV Program Page on the HUD Exchange https://www.hudexchange.info/programs/cdbg-cv/
- CDBG-CV Notice (FR-6218-N-01)
 https://www.hud.gov/sites/dfiles/CPD/documents/FR-6218-N-01-CDBG-CV-clean-8-7-20-header-for-posting.pdf
- CDBG-CV Toolkit https://www.hudexchange.info/programs/cdbg-cv/cdbg-cv-toolkit/introduction/
- Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems
 https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/
- CDBG Entitlement FAQs https://www.hudexchange.info/faqs/programs/cdbg-entitlement-program/
- CDBG Partnership Report https://files.hudexchange.info/resources/documents/CDBG-Partnerships-Report.pdf
- CDBG Project Profiles https://www.hudexchange.info/programs/cdbg/project-profiles/

Conference Recordings, Webinars, and Video Tutorials:

- NATIONAL CARES Act Virtual Conference 2022 https://www.hudexchange.info/trainings/cares-act-virtual-conferences/
- NATIONAL CARES Act Virtual Conference 2021 https://hudcaresact.org/conference/
- How to Use CDBG for Housing Activities https://www.hudexchange.info/programs/cdbg/housing-activities/
- CDBG CARES Act Webinar Series
 https://www.hudexchange.info/news/cdbg-cares-act-webinar-series/
- Explore CDBG (a collection of online technical assistance products)

https://www.hudexchange.info/programs/cdbg/cdbg-ta-products/#all-products

- State CDBG Program Guides, Tools, and Webinars https://www.hudexchange.info/programs/cdbg-state/guides/#guides-and-training-manuals
- CDBG Scrapbook <u>https://www.hudexchange.info/community-development/lmi-benefit-scrapbook/#book5/page1</u>
- CDBG Best Practices Webinar and Transcript: Prioritizing Greatest Need Activities
 https://www.hudexchange.info/trainings/courses/cdbg-best-practices-webinar-series-prioritizing-greatest-need-activities-webinar/3829/
- CDBG Best Practices Webinar and Transcript: Grant Oversight Strategies
 https://www.hudexchange.info/trainings/courses/cdbg-best-practices-webinar-series-grant-oversight-strategies-webinar/3830/
- CDBG Best Practices Webinar and Transcript: Reducing Administrative Costs https://www.hudexchange.info/trainings/courses/cdbg-best-practices-webinar-series-reducing-cdbg-administrative-costs/3837/
- CDBG Best Practices Webinar and Transcript: Leveraging CDBG Funds https://www.hudexchange.info/trainings/courses/cdbg-best-practices-webinar-series-leveraging-cdbg-funds/3836/