

City of Chula Vista

2015-2020 Consolidated Plan – Substantial Amendment

EXECUTIVE SUMMARY

ES-05 Executive Summary - 91.300(c), 91.320(b)

Introduction

On March 27, 2020 Congress passed the Coronavirus Aid, Relief, and Economic Security Act or the “CARES Act”. The Act identified additional funding for both the Emergency Solutions Grant (ESG) and the Community Development Block Grant (CDBG) to support preparation for and response to the community impacts of the COVID-19 pandemic. HUD’s distribution plan for the additional funding included multiple phases that would allow for quick access to funding necessary to address the immediate crisis resulting from the rising pandemic, as well as phases that would support post-pandemic community recovery. This amendment to the City’s 2015-2020 Consolidated Plan (“ConPlan Amendment”) includes planning for both phases.

Adopted in 2015, the priorities and strategies of the current ConPlan would need to be amended to address the related impacts arising out of the COVID-19 pandemic using funds from the following three HUD programs:

- Emergency Solutions Grant CARES Act Stimulus (ESG-CV);
- Community Development Block Grant CARES Act Stimulus (CDBG-CV); and,
- HOME Investment Partnership Program.

Additionally, this ConPlan amendment addresses the planning requirements necessary for the Public Participation Plan, Needs Assessment, Market Analysis, and Strategic Plan sections. The Action Plan component is included in the 2019-2020 Annual Action Plan Amendment that is available for public comment concurrently with this document.

Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The priorities for COVID-19 response are below.

- Addressing and preventing homelessness
- Increase economic development opportunities
- Maintain or improve public facilities and infrastructure
- Maintain or improve access to public services

Specific objectives related to each goal are discussed in Sections SP 45 and AP 20. The above goals include response to the COVID-19 pandemic, and implementation of CARES Act funds.

Outcomes for the HUD funded programs are tracked by businesses, households and housing units, individual beneficiaries, and neighborhoods or target areas, depending on the type of activity, funding, and applicable national objective.

As the CARES Act was signed into law recently on March 27, 2020, well after the public participation for the 2015-2020 ConPlan was completed, programming of the CARES Act funding and all amendments necessary to the associated planning documents were presented for public comment as part of the public comment period from May 1 to May 6, 2020 of this amendment to the ConPlan.

CITIZEN PARTICIPATION

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Table 1 – Responsible Agencies		
Agency Role	Name	Department/Agency
Lead Agency	City of Chula Vista	Development Services Department – Housing Division
CDBG & CDBG-CV Administrator	City of Chula Vista	Development Services Department – Housing Division
ESG & ESG-CV Administrator	City of Chula Vista	Development Services Department – Housing Division

PR-10 Consultation - 91.110, 91.300(b); 91.315(l)

As part of the implementation of the new CARES Act, HUD provided some regulatory relief for the existing ESG funding as follows:

- Waiving the Fair Market Rent (FMR) restrictions for a limited time;
- Providing increased administration percentages;
- Reducing match requirements; and,

- Reducing use restrictions on the ESG-CV funds.

These reduced restrictions, along with the urgency required to deploy the ESG-CV funds necessitated a waiver of the City's ESG regulations, which included the prescribed method of distribution. The Housing Division will be exploring the opportunity to transition from ESG regulations to more flexible guidelines to support adaptability and responsiveness to the ongoing impacts of the COVID-19 virus and the evolving needs to effectively reduce homelessness in the City.

To additionally support the CDBG-CV COVID-19 relief, HUD has waived the public services cap that limited public services to 15 percent of the total award for COVID-19 related services. These waivers can be found by accessing the [HUD waiver link](#).

PR-15 Citizen Participation - 91.115, 91.300(c)

Summary of citizen participation process/Efforts made to broaden citizen participation: Summarize citizen participation process and how it impacted goal setting

The public comment period for this ConPlan amendment is five days, as per HUD's waiver, to expedite the CARES Act funding to address the immediate needs facing communities impacted by the COVID-19 Pandemic. The draft 2015-2020 ConPlan Amendment is available for comment from all interested parties from **May 1, 2020**, through **May 6, 2020**.

The needs in this Chapter were derived from preliminary data from the impacts of COVID-19 which indicate a worsening of the economic situation for many Chula Vista residents and businesses. Public services, including nutrition support, housing assistance, particularly for households suffering loss of income, support for persons experiencing homelessness, and economic development support for businesses impacted by forced closure are key programmatic needs that have been identified in the CARES Act.

NEEDS ASSESSMENT AND MARKET ANALYSIS

NA-05 Overview Needs Assessment Overview

The needs identified in this ConPlan focus on housing, homelessness prevention and response, economic development, public services, and public facilities and infrastructure. The COVID-19 pandemic has only exacerbated needs already existing within our communities. However, some needs have been prioritized.

The ongoing shut-down of businesses has resulted in record unemployment, which severely impacts areas with a higher cost of living and areas already impacted by higher poverty rates. Small businesses have been especially impacted as many do not have the working capital to weather months of mandated shut-down while maintaining payrolls and employment benefits.

The need for business support is increasing as the shut-down continues.

As a result of shortages in some areas, combined with loss of income for many households, there has been substantial increase in demand for assistance through public services, especially food banks, meal delivery services, and housing related services. The rapid increase in demand has left many service providers under-staffed and under-resourced and has added substantial unanticipated costs. The increased demand is expected to be sustained beyond the shut-down as it will take time for households to regain employment and economic stability.

Homelessness response and homelessness prevention has also risen in priority. Many households have been unable to pay rent since the shut-down and shelter-in-place orders were issued in early March 2020. While there are moratoriums on evictions, housing costs are still a major concern, particularly for lower-income households who may be at risk of homelessness once the moratorium is lifted and still with limited ability to pay rents and other basic necessities. Homelessness prevention must be a community priority to prevent increase in homelessness as housing protections are lifted. Persons already experiencing homelessness are also at increased risk of infection and death due to COVID-19. Persons experiencing homelessness need access to stable and safe shelter to prevent infection and spread of the disease.

MA-15 Cost of Housing – 91.310(a)

Discussion

As part of the CARES Act, HUD waived certain FMR limits for the ESG-CV funding. This waiver would impact both the existing ESG allocations as well as the ESG-CV funding. The waiver is intended to help address the wide variances in housing costs. This waiver will be critical in ensuring that the funding can be used as intended to help people in the timeframe required to make a timely response to community needs. Additional waivers of the public services cap for the CDBG-CV and 2020 CDBG allocation are provided as well

MA-65 Hazard Mitigation

Disease Outbreaks

As of April 17, 2020, the City of Chula Vista reported 234 confirmed cases of the COVID-19 novel coronavirus, 10% of the overall San Diego total. Low and moderate-income communities are more vulnerable to disease outbreaks than higher-income communities because of their limited access

to health care providers, and the fact that being a member of a vulnerable population is associated with being immunocompromised and more vulnerable to infectious disease. While the eventual impact of the COVID-19 outbreak is unclear at this stage, it serves as a warning that these events may increase in frequency and severity in coming years.

STRATEGIC PLAN

SP-25 Priority Needs – 91.315(a)(2)

Priority Needs

Sort Order 5	Name COVID-19 Pandemic Response (CARES Act)	Priority Level High
Description: Provide emergency response for persons vulnerable to health risks posed by the COVID-19 pandemic. Provide economic development support to areas impacted by shelter-in place business closures.		
Target Areas Affected	Population <u>Income Level:</u> Extremely Low, Low <u>Non-homeless Special Needs:</u> Elderly, Frail Elderly, Persons with Mental Disabilities, Persons with Physical Disabilities, Persons with Developmental Disabilities, Persons with Alcohol or Other Addictions, Persons with HIV/AIDS and their Families, Victims of Domestic Violence <u>Homeless:</u> Chronic Homelessness, Individuals, Families with Children, Mentally Ill, Chronic Substance Abuse, Veterans, Persons with HIV/AIDS, Victims of Domestic Violence, Unaccompanied Youth	Associated Goals Addressing and preventing homelessness Economic Development Maintain or improve access to public services Maintain or improve access to public facilities
Describe the basis for the relative priority: In March of 2020, the Coronavirus pandemic began to impact U.S. communities and projections indicated that elderly, persons with underlying health conditions, and persons without access to housing were at particular risk of infection and death. Communities across the nation, including Chula Vista, initiated Shelter in Place Orders that encouraged non-		

essential workers to shelter in their homes, and a shut down of all non-essential businesses. Impacts from the COVID-19 pandemic are expected to spread for those homeless with no immediate access to shelter and healthcare and additional needs for housing to support persons experiencing homelessness in a non-congregate environment to prevent the spread of COVID-19. Additionally, the Shelter-in-Place Orders has resulted in mass business shut-downs during the term of the order. The shutdowns have impacted non-essential services, resulting in record unemployment. Essential businesses need assistance in preserving jobs during the shelter-in-place order. Businesses that have shut down will need support in re-opening and ramping back up into full operations, including both job retention and job creation efforts.

P-35 ANTICIPATED RESOURCES - 91.315(A)(4), 91.320(C) (1,2)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG-CV	Public Federal	Administration, Financial Assistance, Overnight shelter, Rapid Rehousing, Homeless Prevention Transitional housing, Shelter Operations	\$930,642			\$960,642	0	One time award of funds – March 2020
CDBG-CV	Public Federal	Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services	\$1,435,675		\$618,581	\$2,054,256	0	One time award of funds – March 2020

SP-60 Homelessness Strategy – 91.315(d)

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs.

As part of the CARES Act, HUD has temporarily waived FMR limits for the ESG-CV funding. This waiver impacts both the existing ESG allocations, as well as the ESG-CV funding. The waiver is intended to help address the wide variances in housing costs. This waiver will be critical in ensuring that the funding can be used as intended to help people in the timeframe required to have a timely response to community needs.

HUD has proposed additional regulatory relief as part of the CARES Act, by providing increased administration percentages, reduced match requirements, and reduced use restrictions on the ESG-CV funds. These reduced restrictions, along with the urgency required to get the ESG-CV funds utilized, necessitated a waiver of the City's ESG regulations. The Department will be exploring the opportunity to transition from ESG regulations to more flexible guidelines to support adaptability and responsiveness to the ongoing impacts of the COVID-19 virus and evolving needs to effectively reduce homelessness in the City.