



2015-2019 Consolidated Plan [draft]

2nd Substantial Amendment

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Background Summary

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, was signed, providing \$5 billion for Community Development Block Grant (CDBG) to rapidly respond to COVID-19 and the economic and housing impacts caused by this unprecedented crisis. The Act also provided \$4 billion for Emergency Solutions Grant (ESG) to prevent, prepare for, and respond to the Coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19.

The City of Toledo, an entitlement city, receives annual grant allocations from the U. S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG) and HOME Investment Partnership Program (HOME). The overall purpose of the CDBG, ESG and HOME programs is to assist low- and moderate-income families and households. The funds are used to pursue three goals:

- Provide decent, affordable housing;
- Create suitable living environments; and
- Expand economic opportunities.

In order to access these federal funds, the City must carry out a planning process, called the Consolidated Plan, to identify the scope of housing and community development needs in its jurisdiction and how the available funding can best be used to meet those needs. The Five-Year Consolidated Plan term began on July 1, 2015 and concluded on June 30, 2020. A full copy of the Five-Year Consolidated Plan is available for review at the City of Toledo's Department of Neighborhoods as well as the department's website.

Each year, the City of Toledo prepares an Annual Action Plan that describes the projects and actions it will undertake to carry out the strategies outlined in the Five-Year Consolidated Plan.

The City of Toledo proposes the addition of a new COVID-19 related activity. This requires a 2nd Substantial Amendment to the 2015-2019 Five-Year Consolidated Plan and the 2019-2020 Action Plan.

INTRODUCTION

The 2nd Substantial Amendment was prepared per 24 CFR part 91.505 - Amendments to the Five- Year Consolidated Plan.

A. Proposed changes to the 2nd Substantial Amendment to the PY 2015-2019 Consolidated Plan and 2019-2020 Annual Action Plan

1. To add a new COVID-19 Related Activity

B. Required Contents of Substantial Amendments

1. Standard Forms SF-424 and SF-424D
2. Summary of Consultation Process
3. Summary of Citizen Participation Process
4. Match
5. Proposed Activity and Budget
6. Certifications

A. Proposed Substantial Amendment Changes

The City is proposing the following 2nd amendment to the 2015-2019 Consolidated Plan and the 2019-2020 Action Plan in order to allocate funding received from the CARES Act 2020 related to COVID-19 activities:

1. To add programming of **\$1,526,505** in CDBG-CV funds.

The City is proposing the following amendment to the 2015-2019 Consolidated Plan and 2019-2020 Action Plan in order to add an eligible activity that was not previously identified:

1. To add a new COVID-19 related activity.

Requirements of Preparing the Substantial Amendment to the Program Year 2019-2020

1. Citizen Participation Plan (for Virtual Hearings)
2. Truncated process for 5 days for Public Notice
3. CDBG-CV COVID-19 Activities
4. Truncated process for the reasonable comment period for the COVID Activities

B. Required Contents of Substantial Amendment

1. STANDARD FORMS SF-424 AND SF424D
 - a. The HUD forms SF-424 and SF-424D will be included in the final submission of the amendment
2. SUMMARY OF CONSULTATION PROCESS
 - a. Consulted with Pathways

Summary of Consultation Process

The City of Toledo is working with the City of Toledo Departments to promote and protect the health and welfare of City of Toledo residents.

The City is currently operating an Emergency Rental Assistance Program (ERAF) to provide up to three months of rental assistance for low- and moderate-income families experiencing job and income loss as a result of COVID-19. The ERAF Program is operated in partnership with Lutheran Social Services of North West Ohio and NeighborWorks Toledo Region. As of December 7, 2020, the ERAF Program assisted 578 eligible income

households with emergency rental assistance. ERAF oversight which included weekly emails, zoom calls, and telephone communications demonstrated the need for mortgage assistance, in light of callers requesting assistance and denial of ERAF applications for ineligible mortgage assistance.

Secondly, Pathways, the Lucas County Community Action Agency is currently operating a Home Relief Program that provides emergency mortgage assistance with State of Ohio CARES Act funding. Eligible household income is capped at 200% of the poverty level, significantly below the eligible household income of 80% area median income that will be allowed under the proposed emergency mortgage assistance program. Telephone consultation with Pathways has indicated that many applicants with income above the 200% poverty level cannot qualify for emergency mortgage assistance through the existing Home Relief Program.

This substantial amendment to the 2015-2019 Five-Year Consolidated Plan and 2019-2020 Action Plan will allow the City to fund an Emergency Mortgage Relief Program to assist low to moderate-income residents of the City of Toledo affected by COVID-19.

3. SUMMARY OF CITIZEN PARTICIPATION PROCESS

- a. Summarize citizen participation process used
- b. Summarize the public comments or views received
- c. Summarize the comments or views not accepted and include the reasons for not accepting those comments or views

Citizen Participation Process

In accordance with HUD federal regulations CFR 91.105 and 91.200, the City of Toledo maintains a Citizen’s Participation Plan (CPP). This plan was previously amended in June 2020. The CPP ensures that the City of Toledo solicits and utilizes input from citizens, community agencies and beneficiaries, allowing full participation at all levels such that allocation and utilization of HUD funds are conducted in an open manner with freedom of access for all interested individuals. See schedule below.

2015-2019 Consolidated Plan 2 nd Substantial Amendment Timeline	
Monday, December 28, 2020	Public Notice sent to The Blade, Sojourners Truth and La Prensa for publishing the 2015-2019 Consolidated Plan Substantial Amendment and 5-day public comment period.
Thursday, December 31, 2020	Press Release on the availability of the 2015-2019 Consolidated Plan Substantial Amendment and the 5-day public comment period sent to Mayor’s Office for distribution on News and Social Medias. Announcement sent to Third-Party Partners, LMHA and other local organizations.
Sunday, January 3, 2021	Public Notice published in The Blade for the 2015-2019 Consolidated Plan Substantial Amendment and 5-day public comment period.
Monday, January 4, 2021	Submit Legislation to Mayor’s Office
Wednesday, January 6, 2021	Public Notice published to Sojourners Truth and La Prensa for publishing the 2015-2019 Consolidated Plan Substantial Amendment and 5-day public comment period.

Wednesday, January 6, 2021	Final Draft 2015-2019 Consolidated Plan Substantial Amendment completed.
Friday, January 8, 2021	Distribute Draft 2015-2019 Consolidated Plan Substantial Amendment to public locations and post to City's website.
Monday, January 11, 2021	2015-2019 Consolidated Plan Substantial Amendment 5-day public comment period begins.
Tuesday, January 12, 2021	City Council – Review of Legislation
Thursday, January 14, 2021 5:30 p.m. – 6:30 p.m.	Public Hearing (Virtual) via ZOOM
Friday, January 15, 2021	2015-2019 Consolidated Plan Substantial Amendment 5-day public comment period ends.
Tuesday, January 19, 2021	City Council – Passage of Legislation
Friday, January 29, 2021	Final 2015-2019 Consolidated Plan Substantial Amendment completed. Printed for distribution and electronic submission to HUD.
Monday, February 1, 2021	Distribute Final 2015-2019 Consolidated Plan Substantial Amendment to public locations and post to City's website
Friday, February 5, 2021	Final 2015-2019 Consolidated Plan Substantial Amendment #2 submitted to HUD

The City of Toledo will accept all written comments as to the content of the substantial amendment and incorporated same to this document.

The City of Toledo is committed to the goal of providing the citizens opportunities to review and comment on the Citizen Participation Plan and any amendments to the Citizen Participation Plan. The following steps will be utilized to accomplish this goal:

1. An inter-active Public Hearing will be held virtually to review the proposed Citizen Participation Plan and copies of the proposed Plan will be available electronically on the Department of Neighborhood's webpage.
2. Citizen comment and review of the proposed Citizen Participation Plan was encouraged by all City of Toledo residents including those whom are low- to moderate-income and special needs residents.

All in-person Public Hearings are held in facilities that provide adequate accessibility to disabled individuals, are wheelchair accessible and provide handicapped parking. In the event of a virtual public hearing, services needed by disabled individuals will be provided upon request.

4. MATCH
 - a. No match required for the COVID-19 related activities
5. PROPOSED ACTIVITY AND BUDGET

Overview

The financial impact of the COVID-19 pandemic has presented a threat to the housing stability of many low- and moderate-income (LMI) homeowners here in Toledo. The pandemic has caused an unprecedented job loss and income reduction. As a result, many

LMI households have been unable to maintain current payments for their mortgage. According to a survey conducted by the Ohio Realtor Association, "Nearly one-quarter (23 percent) [of respondents] said they have faced challenges paying their rent or mortgage due to the Coronavirus outbreak. Younger residents are more likely to have experienced a Coronavirus-related financial impact than their older counterparts." With this in mind, it is incumbent on the City of Toledo to address this challenge head-on. The City of Toledo will utilize **\$1,526,505.00** from COVID-19 Community Development Block Grant (CDBG-CV) funding to establish the City of Toledo COVID-19 Emergency Mortgage Assistance Program (EMAP). This funding will be utilized for Planning and Administration and for Emergency Mortgage Assistance to stabilize owner-occupied housing for the most vulnerable families as the City continues to rebound from this global crisis.

Program Summary

EMAP will assist approximately **150** low- to moderate-income eligible households in the City of Toledo with 6 months maximum of "Emergency Mortgage Assistance" (hereinafter defined). "**Emergency Mortgage Assistance**" shall mean payment of money from the City to the Mortgage Servicer for the benefit of an eligible recipient.

EMAP will provide mortgage assistance up to covering a six consecutive month period. Assistance may include: monies for mortgage arrearages and late fees as well as current and future payments for mortgage principal and interest. Taxes and Insurance may be paid if included in the regular mortgage payment to fund an escrow account. Only one application per property is eligible. Applicant must be the named Owner. The current gross household income must not exceed 80% of the area median income. The Owner must reside in the property and use the property as Primary Residence. The property must be a 1-4 residential unit property (at least one unit must be owner-occupied). Rental Units, Land Contract, Reverse Mortgages, HELOC and Home Equity Loans are not eligible. The property must not be listed for sale. Emergency Mortgage Assistance payments will be issued directly to the Mortgage Servicer.

Program Operation

The Department of Neighborhoods (DON), Housing Division will accept, process, and approve EMAP applications on a first come first serve basis. **Applications will be accepted beginning February 15, 2021 through May 14, 2021.**

Eligible Program Participants

- Own a 1-4 residential property house in the City of Toledo
- Owner must occupy at least one unit as primary residence
- Have a 1st lien/primary mortgage with a past due balance
 - Must have been current on the mortgage as of February 29, 2020
 - Must provide all recent correspondence from the Mortgage Servicer
- Property must not be listed for sale
- Demonstrate loss of income due to COVID-19
 - Applicants must submit documentation of most recent 30 days' income (i.e. paystubs, letter of layoff or termination, records of unemployment, etc.) and bank statements. If source documentation is not available, the applicant may self-certify current income using the Sworn Income and Asset Statement.

- Applicants without current income must complete a Self-Certification of Zero Income form which must be notarized.
- Have a maximum household income at or below 80% of the area median income ("**AMI**") at the time of application, adjusted for household size :
 - To calculate what percent of the area median income a homeowner's income is, take the household's income and divide it by the 100% AMI income for a household of the same size.

- ➔ *Example: Jane and her husband have 2 children and collectively make \$34,500 a year*
- ➔ *The 100% annual household income for 4 is \$68,900*
- ➔ *$\$34,500 \div \$68,900 = 50.0\%$ of AMI*

80% of HUD AREA MEDIAN INCOME			100% of HUD AREA MEDIAN INCOME		
Number in Household	Maximum Annual Household Income	Maximum Monthly Household Income	Number in Household	Maximum Annual Household Income	Maximum Monthly Household Income
1	\$38,600	\$3,217	1	\$48,300	\$4,025
2	\$44,100	\$3,675	2	\$55,200	\$4,600
3	\$49,600	\$4,133	3	\$62,100	\$5,175
4	\$55,100	\$4,592	4	\$68,900	\$5,742
5	\$59,550	\$4,963	5	\$74,500	\$6,208
6	\$63,950	\$5,329	6	\$80,000	\$6,667
7	\$68,350	\$5,696	7	\$85,500	\$7,125
8	\$72,750	\$6,063	8	\$91,000	\$7,583

Please include calculations for HH income: ↓

HH SIZE = _____ GROSS YEARLY INCOME = _____

_____ ÷ _____ = _____ % AMI

Income Eligible? Yes _____ No _____

Ineligible Program Participants

- Income exceeds 80% AMI
- Not the legal owner of record
- Rental Units, Land Contract, Reverse Mortgages, HELOC and Home Equity Loans
- Mortgage delinquency prior to March 2020
- Failure to submit a complete application
- Duplication of benefits

The Project Summary chart below depicts the activities and the amount to be dedicated to each CDBG-CV COVID-19 related activity.

AP-38 Project Summary
Project Summary Information

58	Project Name	CV – Planning and Administration
	Target Area	
	Goals Supported	CARES Act (COVID-19)
	Needs Addressed	
	Funding	CDBG-CV: \$300,000
	Description	General operations as it relates to administration and reporting requirements, administration and staff monitoring of programs, neighborhood revitalization and fiscal administration related to COVID-19.
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	City-wide
	Planned Activities	All of the CDBG-CV funded activities such as funding of staff designated to carry out activities related to the planning, administration, development and implementation of COVID-19. These include: tracking and compilation of information; federal grant reporting; IDIS data input; fiscal oversight; CDBG-CV activity monitoring (i.e., on-site monitoring visits, review and evaluation of agency information, assessment of progress and completion of activities, compliance with federal regulations, etc.); grant administration of funds and related activities.
59	Project Name	CV – Mortgage Assistance
	Target Area	
	Goals Supported	CARES Act (COVID-19)
	Needs Addressed	
	Funding	CDBG-CV: \$1,226,505
	Description	To provide emergency mortgage assistance payments to low- to moderate-income households affected by COVID-19.
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	Approximately, 150 low- to moderate-income households will benefit from this project.
	Location Description	City-wide
	Planned Activities	To provide Emergency Mortgage Assistance to low- to moderate-income eligible households in the City of Toledo affected by COVID-19.

SUMMARY NOTES:

CDBG-CV - \$1,526,505

CDBG- CV Funds will be used to fund the following activities:

- **Planning and Administration** – General operations as it relates to administration and reporting requirements, administration and staff monitoring of programs, neighborhood revitalization and fiscal administration related to COVID-19;
- **Emergency Mortgage Assistance Payments** - Provide emergency mortgage assistance payments for up to six consecutive months to low- to moderate-income households affected by COVID-19.

CDBG-CV Activities	CDBG-CV Funding
Planning and Administration	\$300,000.00
Mortgage Assistance	\$1,226,505.00
TOTAL	\$1,526,505.00

6. CERTIFICATIONS

Refer to Appendix C: Certifications