

**JOINT REQUESTS FOR PROPOSALS
LANCASTER COUNTY AND CITY OF LANCASTER
CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG-CV)
EMERGENCY SOLUTIONS GRANT (ESG-CV)
HOME INVESTMENT PARTNERSHIPS (HOME)**

Proposals Due: May 28, 2020

Email Submissions to:

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INTRODUCTION

In addition to the 2020 Fiscal Year allocation of Community Block Grant (CDBG), Emergency Solutions Grant (ESG) and HOME Investment Partnership (HOME), the U.S. Department of Housing and Urban Development (HUD) has provided Lancaster County and the City of Lancaster with an allocation of CDBG Coronavirus (CDBG-CV) and ESG Coronavirus (ESG-CV) as enabled in the Coronavirus Aid, Relief and Economic Security Act (CARES Act) (Public Law 116-136).

The Redevelopment Authority of the County of Lancaster (Redevelopment Authority), on behalf of the County, and the City of Lancaster (City) have developed a joint application to request proposals from organizations seeking CDBG-CV and ESG-CV CARES Act funding to prevent, prepare for and respond to COVID-19. The Redevelopment Authority and City are interested in programs or activities supporting housing and homelessness, public services and facilities, and economic development that address needs of low-moderate- income residents affected by COVID-19.

CDBG-CV AND ESG-CV FUNDING DETAILS

The County has been allocated \$1,724,064 in CDBG-CV funding and \$854,500 in ESG-CV funding. The City has been allocated \$1,004,871 in CDBG-CV and \$503,203 in ESG-CV. The Redevelopment Authority has amended the County's 2019 Annual Action Plan to include these funds. The County Commissioners approved the amended plan on May 6th, 2020. The City will be amending its plans to include its allocation sometime in the next few weeks.

Below are some guidelines from HUD specifically for the use of CARES Act funding:

- CDBG-CV funds have the same programmatic requirements and meet CDBG program [national objectives](#).
- Regulations for spending caps on emergency shelter and outreach activities as well as matching requirements can be waived for these ESG funds. Additionally, procurement standards for goods and services may be deviated from normal processes.
- Reimbursement for costs that have already occurred is allowed for programs and activities.
- Funds may not be used if another source of financial assistance (State, Federal or Local) is available to pay that cost. This includes SBA and FEMA assistance and loans.

ELIGIBLE PROGRAMS AND ACTIVITIES

Emergency Rental Assistance and Eviction Prevention (CDBG):

To provide temporary relief and support for those who have been furloughed, experienced a reduction of pay or have been laid off due to COVID-19, an emergency rental assistance program would be established to provide up to three (3) months of assistance to income qualified individuals and families. Under CDBG regulations, the funding can be used for this limited period to address an emergency need. The funds will be used for direct rental payments to landlords on behalf of eligible tenants with incomes within 80% of area median income (AMI)

Exhibit A – CDBG Income Limits.

Homelessness Outreach (ESG):

To provide financial assistance to support a Homeless Outreach position to work with persons experiencing homelessness on the streets not only to help them access housing but to ensure they have protections from COVID-19 including PPE, hand sanitizer, information on where to access health care and testing, etc.

Emergency Shelter Operations (ESG):

To provide funding to emergency shelter providers to accommodate social distancing requirements including but not limited to hotel stays to address needs caused by COVID-19.

Rapid Re-housing (ESG):

To provide for rapid rehousing case management services and client assistance funds on behalf of renters that are experiencing HUD-defined homelessness to move back into permanent rental housing. Funds for rental payments are made directly to landlords on behalf of clients in a rapid rehousing program.

Supplies or Physical Modifications for Public Service Providers (CDBG):

Provide public service providers with the necessary equipment and supplies to ensure their organization can respond to client needs in a way that prevents the spread of COVID-19. This may include improvements to maintain safe working conditions.

Public Facility Rehabilitation, Construction or Expansion (CDBG):

To support physical improvement needs at shelters and community hubs that provide food, counseling and other services to low-to-moderate income individuals affected by COVID-19. This may include improvements to maintain safe working conditions, expanding or constructing new public facilities, such as temporary or permanent shelter.

Economic Development (CDBG):

To support small businesses or microenterprises (5 or fewer employees). This may include technical assistance to navigate other loan programs or funding to help small business meet CDC guidance and social distancing measures. Additionally, it could be used for small business loans for working capital when no other federal sources are available. For overview of eligibility please see ***Exhibit B - Economic Development.***

Operating Reserve for HOME Assisted Projects (HOME):

To preserve the financial viability of HOME-assisted affordable rental project currently under a HOME period of affordability funds may be provided to recapitalize project reserves where operating costs significantly exceed operating reserves due to the impact of COVID-19.

Please see Exhibit C – HOME Operating Reserve

COLLABORATION

The Redevelopment Authority and the City are issuing this joint funding process to facilitate the allocations and distributions of funds to address and prevent the impacts of COVID-19 in the County and City. The Redevelopment Authority and City will continue to collaborate efforts with that of the Lancaster Cares COVID-19 Response Fund and Economic Development Company and Lancaster Chamber Economic Recovery Plan.

Applications addressing COVID-19 housing needs of persons experiencing homelessness or at risk of homelessness will be prioritized if a collaborative approach is proposed. Regional or county-wide collaborations are strongly encouraged.

REVIEW PROCESS

For projects that involve persons experiencing homelessness or at risk of homelessness, representatives of the Governance Board of the Lancaster County Homeless Coalition will review applications and provide recommendations for both County and City CARES funds.

For projects involving Operating Reserves for HOME-assisted Rental Housing projects, the Redevelopment Authority's Loan Committee along with a representative from the City will review applications for funding.

All other requests for housing, public services and public facilities and economic development will be reviewed by Redevelopment Authority and City Staff. Additional review and coordination will include the Lancaster County Community Foundation, United Way of Lancaster, and the Economic Development Company of Lancaster.

SUBMISSION

Email completed applications to the Redevelopment Authority and City Community Development Division by **Thursday, May 28, 2020.**

Redevelopment Authority - covid19@lchra.com

City of Lancaster - sthorsen@cityoflancasterpa.com

TECHNICAL ASSISTANCE

Redevelopment Authority and City of Lancaster Staff will be available to provide technical assistance in determining the eligibility of the proposed program or activity or any other questions that an applicant may have about this RFP.

Redevelopment Authority Contacts:

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City of Lancaster Contacts:

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EXHIBIT A – CDBG INCOME LIMITS

2019 INCOME LIMITS

Median Income = \$76,200 (family size – 4)

| Family Size | 50% Median | 60% Median |
|-------------|------------|------------|
| 1 | 26,700 | 32,040 |
| 2 | 30,500 | 36,600 |
| 3 | 34,300 | 41,160 |
| 4 | 38,100 | 45,720 |
| 5 | 41,150 | 49,380 |
| 6 | 44,200 | 53,040 |
| 7 | 47,250 | 56,700 |
| 8 | 50,300 | 60,360 |

EXHIBIT B – Economic Development

Permitted Activities Include:

A. Special economic development:

- Acquiring, constructing, reconstructing, rehabilitating, or installing commercial or industrial buildings, structures, and other real property equipment and improvements. These are economic development projects undertaken by nonprofit entities and grantees (public entities).
- Assisting a private, for-profit business. Assistance may include grants, loans, loan guarantees, and technical assistance; and
- Providing economic development services in connection with otherwise eligible CDBG economic development activities.

B. Technical assistance to businesses. This activity involves providing technical assistance and training directly to businesses on topics such as business planning or accounting.

C. Microenterprise development. These are activities designed to foster the development, support, and expansion of microenterprise businesses. (A microenterprise has five or fewer employees, one or more of whom owns the enterprise.) Eligible microenterprise activities include the provision of:

- Grants, loans, loan guarantees and other forms of financial support, for the establishment, stabilization, and expansion of microenterprises;
- Technical assistance, advice, and business services to owners of microenterprises.

Qualifications for Meeting CDBG National Objective:

A. Commercial entities to be assisted must either be located in a low- and moderate-income areas as defined by the HUD or the owner of the business is low- and moderate-income.

B. Economic development activities designed to create or retain permanent jobs, at least 51 percent of which (FTEs) will be made available to or held by low- and moderate-income (LMI) persons. The entity assisted must document that that the jobs would have been lost without the CDBG assistance.

Low-and Moderate-Income (LMI) Job Criteria

The following requirements apply for jobs to be considered available to or held by LMI persons.

- Created or retained jobs are only considered to be available to LMI persons when:
 - (a) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
 - (b) The grantee and the assisted business take actions to ensure that LMI persons receive first consideration for filling such jobs.
- Created or retained jobs are only considered to be held by LMI persons when the job is actually held by a LMI person.
 - A persons is considered LMI if:
 - He/she resides in a Census tract that meets certain requirements or
 - He/she resides in a Census tract with at least 70 percent LMI persons; or
 - The assisted business is located in an eligible Census tract and the job will be located within that same Census tract.

IMPORTANT NOTE: Businesses that have received other federal financial assistance related to COVID-19, including Small Business Administration assistance may be ineligible for CDBG funds if other federal assistance covers the entirety of reported operating costs.

EXHIBIT C – HOME Operating Reserve

HOME Operating Reserves for HOME-assisted Rental Housing Developments

The Lancaster County Redevelopment Authority (Redevelopment Authority) will accept applications from HOME-assisted Rental Housing Developers in Lancaster City and County to use HOME funds to recapitalize project reserves where operating costs significantly exceed operating reserves due to the impact of COVID-19.

The purpose of the funds is to preserve the financial viability of HOME-assisted affordable rental project currently under a HOME period of affordability. Because existing tenants in HOME units may be unable to meet their rent obligations due to the economic impact of the COVID-19 pandemic, projects may have operating deficits due to the sudden decrease in rental revenue. Additional HOME funds can be provided for operating deficits that will not be covered by insurance or other sources (e.g. other private, local, state, or federal funds).

HOME funds may be provided for no more than the total of the project's operating expenses, previously scheduled payments to a replacement reserve, and actual debt service (excluding debt service of loans in forbearance) multiplied by the proportionate share of HOME assisted units to the total number of units in the project for the period beginning on April 1, 2020 and ending on December 31, 2020. Project operating expenses may be demonstrated by one of the following:

- The Owner's most recent year to date financials for the project;
- Certified project-level accounting records covering the most recent three (3) months; and
- Copies of project-level bank statements covering the most recent three (3) months.

Project operating expenses may also be adjusted due to COVID-19 related expenditures and foregone expenses due to social distancing measures and other COVID-19 related impacts. An owner may demonstrate these expenses with recent receipts, copies of work orders, revised budgets that have been certified by the project owner as true, accurate representations of current expenditures.

The Redevelopment Authority will amend the HOME written agreement with the project owner to include the amount of HOME funds that will be provided to an operative reserve, the costs eligible to be paid with HOME funds in the operating reserve, (i.e. operating expenses, scheduled payments to a replacement reserve, and qualifying debt service), and the documentation the Redevelopment Authority is required to maintain to demonstrate the allowable amounts and eligibility costs paid with the HOME funds in the operating reserve.

The HOME written agreement must also specify the requirement that the owner forego the

following:

1. Any distributions of residual receipts resulting from the project throughout the waiver period and for a period of 6 months thereafter;
2. Any right under the existing lease agreement or State or local law to pursue legal action against tenants of HOME-assisted units for non-payment of rent and the collection of any fees associated with late payments without prior approval the Redevelopment Authority;
3. Any adverse credit reporting against tenants of HOME-assisted units for nonpayment of rent or fees without prior approval of the Redevelopment Authority.

Within six (6) months following the waiver period, the Redevelopment Authority will review the project's records of actual revenue and operating expenses, total amount of HOME funds expended from the operating reserve, the eligibility of expenses by examining invoices and receipts. The written agreement must require the project owner to repay any expenditures for costs determined to be ineligible and any balance of HOME funds remaining in the reserve after December 31, 2020.