



**COMMUNITY
PLANNING
&
DEVELOPMENT**

Allocating Staff Costs Between Administrative and Activity Delivery Costs for CDBG Grantees Webinar

CPD NOTICE # 13-07

Today's Webinar

- Webinar will last approximately 90 minutes and is being recorded
- Recording available soon on the OneCPD Resource and Exchange Training and Events Page (<http://www.onecpd.info/training-events>)
- Feedback survey link and instructions to get credit will be emailed

Today's Webinar

- Listen-only mode
- Use Q&A Pod to submit questions at any time during the webinar
- Q & A session at end of presentation
- Use Q&A Pod to request assistance with technical difficulties

WHAT WE'LL COVER TODAY:

- Define & Differentiate PACs vs. ADCs
- Charging PACs or ADCs for other programs
- Con Plan & Environmental Costs
- Discontinued/Terminated Activities
- Compliance with the 20% Cap
- Urban County Considerations



STRUCTURE OF PRESENTATION

DIFFERENTIATING BETWEEN
ACTIVITY DELIVERY COSTS
(ADCs) AND PROGRAM
ADMINISTRATION COSTS
(PACs)

CHARGING ADCs FOR OTHER
CONSOLIDATED PLAN
FORMULA PROGRAMS
(HOME, ESG, HOPWA) TO
CDBG

CHARGING ADCs FOR OTHER
CPD PROGRAMS (HOMELESS
PROGRAMS, HMIS, EZs, ECs
and RCs) AND OTHER
FEDERAL PROGRAMS TO
CDBG

CHARGING PACs FOR OTHER
CONSOLIDATED PLAN
FORMULA PROGRAMS TO
CDBG

CHARGING PACs FOR OTHER
CPD PROGRAMS (HOMELESS
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PROGRAMS TO CDBG

ACTIVITY DELIVERY COSTS
INCURRED FOR
DISCONTINUED/TERMINATED
ACTIVITIES

COMPLYING WITH THE 20%
PLANNING + ADMIN CAP

The 20% cap is not in the HCDA,
it's in each year's appropriation act

SPECIAL CONSIDERATIONS
FOR URBAN COUNTIES

DIFFERENTIATING BETWEEN ACTIVITY DELIVERY COSTS (ADCS) AND PROGRAM ADMINISTRATION COSTS (PACs)



ACTIVITY DELIVERY vs PROGRAM ADMINISTRATION

Activity Delivery Costs

(ADCs) are allowable costs incurred for implementing and carrying out eligible CDBG activities. The ADC covers the costs of staff directly carrying out the activity in addition to equipment and supplies that are necessary for successful completion of the activity.

Program Administration

Costs (PACs) are costs for staff-time and overhead costs for planning and general administration of the CDBG program. PACs cover the cost of planning, general management, oversight, coordination, and implementation of the CDBG program as a whole.

CDBG REGULATIONS

§570.206 Program administrative costs.

Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part and, where applicable, housing activities (described in paragraph (g) of this section) covered in the recipient's housing assistance plan.

This does not include staff and overhead costs directly related to carrying out activities eligible under §570.201 through §570.204, since those costs are eligible as part of such activities.

WHAT ARE ADCs?

Activity Delivery Costs (ADCs) are allowable costs incurred for implementing and carrying out eligible CDBG activities. The ADC covers the costs of staff directly carrying out the activity in addition to equipment and supplies that are necessary for successful completion of the activity.

An ADC must be allocable to a CDBG-assisted activity or an activity that is CDBG-eligible, meet a national objective, and meet all other CDBG program requirements. ADCs are eligible as part of the cost of carrying out CDBG activities authorized under 24 CFR 570.201-570.204.

EXAMPLES OF CDBG ADCs

Salaries of employees for the time devoted to implementing and carrying out specific eligible CDBG activities such as public services, rehabilitation of public facilities and improvements, or housing rehabilitation.

- Salary of grantee or subrecipient staff renovating a community center or park.
- Salary of housing rehabilitation specialists performing inspections on housing units rehabilitated with CDBG funds.
- Salary of persons providing job training on basic computer skills and programs.
- Salary of persons bagging up and distributing food at a food bank.

EXAMPLES OF CDBG ADCs (CONT.)

The cost of materials acquired, consumed, or expended by staff in carrying out specific eligible CDBG activities.

- Paper for housing rehabilitation program applications.
- File cabinets used for filing applications for CDBG assistance.
- Uniforms for code enforcement staff working in eligible areas.

EXAMPLES OF CDBG ADCs (CONT.)

Travel costs incurred specifically for carrying out eligible activities.

- Visits to sites where housing rehabilitation activities are conducted to check work progress and final inspections of completed work.
- Depreciation and use allowances for vehicles used to conduct code inspections and enforcement in CDBG-eligible areas.

NOTE: CDBG funds may only be used to pay for travel costs related to CDBG assisted activities and not for travel costs in general.

WHAT ARE PACs?

Program Administration Costs (PACs) are costs for staff-time and overhead costs for planning and general administration of the CDBG program. PACs cover the cost of planning, general management, oversight, coordination, and implementation of the CDBG program as a whole. Eligible planning and administration costs for the CDBG program may be found at 24 CFR 570.205 and 570.206.

EXAMPLES OF CDBG PACs

- Salaries of executive officers and staff with general program oversight responsibilities such as Community Development Directors, Planners, and their administrative staff.
- Leased office space for staff carrying out the CDBG program.
- Time spent developing general CDBG program policies and procedures, such as CDBG application and development of procedures for monitoring subrecipients for performance.
- Staff time to develop the Consolidated Plan/Action Plan and Consolidated Annual Performance and Evaluation Report.
- Dissemination of information on the CDBG program, eligible activities, and how to apply.
- Dissemination of education on fair housing.
- Costs of data gathering and studies on the need for a park in a CDBG-eligible area.

CONSOLIDATED PLAN PROGRAM ADMINISTRATIVE COSTS



The CDBG Program May be Charged the Entire Program Administrative Costs of:

- Development of Consolidated Plan/Action Plan
- Analysis of Impediments to Fair Housing
- Development of CAPER
- Efforts to Affirmatively Further Fair Housing

Keep In Mind:

- Must comply with 20% cap
- Planning costs vs. Program Admin Costs
- Some AFFH activities may be public services, not PACs
- The 3-5 year ConPlan cost “bump”

ENVIRONMENTAL COSTS



Environmental Costs as PACs vs. ADCs

Planning Costs under 570.205:

- General Environmental/Urban Design/Historic Preservation Studies & Plans; Remediation Plans

Activity Delivery Costs:

- Activity-Specific assessments & clearances
- Activity-Specific Remediation Plans

Activity-Specific Environmental Review Costs Can be Charged as Planning Costs...why would you want to?

- Is there a specific activity yet?
- ADCs must meet a national objective
- What if the activity never goes forward?

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SPECIAL CONSIDERATIONS
FOR URBAN COUNTIES

CHARGING ADCs FOR OTHER CONSOLIDATED PLAN FORMULA PROGRAMS (HOME, ESG, HOPWA) TO CDBG



OTHER CONSOLIDATED PLAN FORMULA PROGRAMS – HOME, ESG, AND HOPWA

CDBG funds may be used for ADCs in conjunction with other Consolidated Plan formula programs, which are:

- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons With AIDS (HOPWA)

OTHER CONSOLIDATED PLAN FORMULA PROGRAMS – HOME, ESG, AND HOPWA

ADCs for HOME, ESG, and HOPWA-assisted activities must be for activities that are CDBG eligible and meet a national objective.

The activities may be solely assisted with HOME, ESG, or HOPWA funds or assisted with CDBG and HOME, ESG, or HOPWA funds.

Any activity assisted in whole or in part with CDBG funds is subject to all CDBG rules and federal requirements in addition to the rules of the other grant programs.

HOME, ESG AND HOPWA EXAMPLES

Congress authorized CDBG funds to be used to pay ADCs for housing services in support of **HOME-assisted** projects, such as housing counseling , work specifications, energy auditing, loan processing, and tenant selection.

Activities eligible under the **ESG and HOPWA** programs that are also eligible under the CDBG program include:

- street outreach
- mental health care
- homeless services
- transportation of unsheltered persons
- emergency health services
- life skills training
- acquisition, rehabilitation, lease and repair of facilities to provide housing

THE ESG AND HOPWA PROGRAMS (CONT.)

All of these activities except the building renovation and acquisition and lease of space for housing are considered CDBG-eligible public services.

However, for a public service to be eligible for CDBG assistance, it must be either:

- A new service or
- A quantifiable increase in the level of an existing public service above that which has been provided.

CDBG-assisted public service expenditures are limited to not more than 15 percent of a grantee's annual CDBG grant plus 15 percent of its prior year's program income.

THE ESG AND HOPWA PROGRAMS (CONT.)

- Acquisition of property via lease (minimum 15 years for CDBG) for CDBG program purposes, must be for at least 15 years or more) and repair of properties for housing may qualify as either rehabilitation or public facilities if the intent is to only provide transitional housing.
- If the intent is permanent housing, then the acquisition and repair of properties would be considered housing rehabilitation.

THE ESG AND HOPWA PROGRAMS (CONT.)

INELIGIBLE ACTIVITIES

ESG-eligible activities such as the payment of last month's rent, utility payments up to 24 months, and short- and medium-term rental assistance are not eligible in the CDBG program. Therefore, no CDBG funds may be used to pay the ADCs of these activities.

HOPWA-eligible activities such as project or tenant-based rental assistance; new construction of single room occupancy dwellings (unless carried out by a qualified CBDO); and short-term rent, mortgage, or utility payments that do not meet the criteria at 24 CFR 570.207(b)(4) are not eligible in the CDBG program. Therefore, no CDBG funds may be used to pay the ADCs of these activities.

CHARGING ADCs FOR OTHER CPD PROGRAMS (HOMELESS PROGRAMS, HMIS, EZs, ECs and RCs) AND OTHER FEDERAL PROGRAMS TO CDBG



OTHER CPD PROGRAMS

- Homeless Programs-Consolidation of Supportive Housing Program (SHP), Shelter + Care (S+C), and Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program
- Homeless Management Information System (HMIS),
- Empowerment Zones (EZs)
- Enterprise Communities (ECs)
- Renewal Communities (RCs)

OTHER CPD PROGRAMS – HOMELESS PROGRAMS – SHP & S+C

Activities that are eligible under **SHP** that are also eligible under the CDBG program include:

- **Supportive services** that facilitate the movement of homeless participants to independent living such as outreach and childcare.
- Costs for **operation of a supportive housing facility** such as maintenance equipment, supplies, insurance, food, and furnishings.
- **Acquisition or lease of property to construct or rehabilitate** supportive housing for homeless persons.

Activities eligible under both the **S+C Program** and CDBG include supportive services (public services in CDBG) such as:

- Health care, mental health treatment
- Alcohol/drug abuse treatment
- Childcare
- Education services
- Job training/placement.

OTHER CPD PROGRAMS – HOMELESS PROGRAMS – S+C

INELIGIBLE ACTIVITIES

- **Rental assistance** in connection with the moderate rehabilitation* of single room occupancy units
- Project- and Sponsored-based **rental assistance**.

*The rehabilitation must be paid for with another funding source. CDBG funds may be used for rehabilitation of SRO units and common areas. This would be considered rehabilitation of a public facility in accordance with 24 CFR 570.201(c).

OTHER CPD PROGRAMS - HMIS

CDBG Funds may be used to support HMIS only if:

- The HMIS costs are activity delivery costs of a public service activity in accordance with 24 CFR 570.201(e).
- The grantee must be carrying out a CDBG-eligible public service that meets a national objective.
- Examples of eligible CDBG costs would include staff time using HMIS for client case management for services being provided to homeless persons, or relating to the operation of a homeless shelter.

OTHER CPD PROGRAMS: EZs, ECs, AND RCs

- The EZ and RC designations have expired.
- There are currently 30 EZs remaining.

Eligible EZ activities that are also eligible under the CDBG program include:

- Assistance to businesses.
- Establishment and expansion of microenterprises.
- Services such as job training, child care, and job-related counseling (e.g., interviewing skills).
- Public improvements such as water and sewer and street widening if they are impediments to one or more businesses in the EZ.

OTHER FEDERAL PROGRAMS

CDBG funds may be used to pay ADCs for other Federal programs such as

The Department of Agriculture's

- Child and Adult Care Food Program and Child Nutrition Programs

The Department of Health and Human Services'

- Head Start and Low Income Home Energy Assistance Programs

To be eligible for CDBG assistance, the activity must:

- Be in a Consolidated Plan/Action Plan or amended Plan,
- Be an eligible CDBG activity,
- Meet a national objective,
- Comply with environmental review procedures and any other applicable cross-cutting requirements (such as Davis-Bacon.)

ELIGIBLE ADCs FOR CONSOLIDATED PLAN FORMULA PROGRAMS, OTHER CPD PROGRAMS, AND OTHER FEDERAL PROGRAMS

Eligible ADCs for CDBG-eligible public services, public facilities and improvements, housing rehabilitation, economic development, and assistance to microenterprises assisted with ESG, HOPWA, CoC Programs (S+C and SHP), EZ, and other federal programs include but are not limited to:

- Salaries of drivers conducting street outreach or providing transportation services, life skill instructors, health care workers, job trainers, mental health counselors, and security deposit intake workers
- Rental of space in buildings for the provision of public services such as mental and health care
- Materials such as computers, pens, paper, etc. needed for like skills and job training courses.

CHARGING PACs FOR OTHER CONSOLIDATED PLAN FORMULA PROGRAMS TO CDBG



OTHER CONSOLIDATED PLAN FORMULA PROGRAMS – HOME, ESG, HOPWA

CDBG funds may be used to pay PACs for the HOME program. This authority also covers overall management and administration costs for implementation of activities that are not eligible under the CDBG program such as tenant based rental assistance and new housing construction.

CDBG funds may not be used to pay the costs of administration and management of the ESG and HOPWA programs nor the salary of a staff person in a general administrative position that works only on the administration of the ESG or HOPWA programs.

OTHER CONSOLIDATED PLAN FORMULA PROGRAMS – ESG AND HOPWA (CONT.)

Exceptions

CDBG funds may be used for staff administration costs associated with eligible ESG and HOPWA activities (such as homeless services, health screening, or job training) if the activities carried out are otherwise CDBG eligible and meet all CDBG requirements (e.g., eligibility, national objective compliance, and environmental review requirements).

If a staff person that spends the majority of his/her time administering the CDBG program and a small part of his/her time carrying out general administrative functions for the ESG or HOPWA programs, CDBG funds may be used to pay his/her salary for the administrative staff time allocable to the CDBG program and for administration of the CDBG-eligible ESG and HOPWA activities.

CHARGING PACs FOR OTHER CPD PROGRAMS (HOMELESS PROGRAMS, HMIS, EZs, ECs, RCs) AND OTHER FEDERAL PROGRAMS TO CDBG



OTHER CPD PROGRAMS - HOMELESS PROGRAMS, HMIS, EZs, ECs, RCs

Homeless Programs – CoC Program – SHP and S+C

- The Housing and Community Development Act of 1974 prohibits CDBG funds from paying the costs of administration and management of the SHP and S+C programs nor the salary of a staff person in a general administrative position that works only on the administration of the SHP and S+C programs.
- No CDBG funds may be used to pay for PACs for activities that are eligible under the S+C program (such as rental assistance) but are ineligible under the CDBG program.
- Exception: CDBG funds may be used for PACs associated with eligible SHP and S+C activities (such as supportive services) if the activities carried out are otherwise CDBG eligible and meet all CDBG requirements (e.g., eligibility, national objective compliance, and environmental review requirements).

OTHER CPD PROGRAMS - HOMELESS PROGRAMS, HMIS, EZs, ECs, RCs

HMIS

CDBG funds may not be used to pay for the administration of HMIS because CDBG funds may not be used to pay the general administrative costs of the ESG program or other homeless programs under the authority of 24 CFR 570.206.

HMIS is primarily for the collection of data for CoC Program assisted homeless programs and is not a data source for CDBG-assisted activities that benefit homeless persons.

OTHER CPD PROGRAMS - HOMELESS PROGRAMS, HMIS, EZs, ECs, RCs

EZs, ECs, and RCs

CDBG funds may be used to pay planning and administration costs for the overall administration of a federally designated EZ or EC.

CDBG funds may not be used to pay planning and administration costs for RCs because they are not included as eligible communities under the statutory or regulatory provisions governing the CDBG program.

OTHER FEDERAL PROGRAMS

CDBG funds may not be used to pay the planning and administration costs for the overall administration of other federal programs, even if some of the activities are CDBG-eligible and meet a national objective.

ACTIVITY DELIVERY COSTS INCURRED FOR DISCONTINUED/TERMINATED ACTIVITIES



ARE ADCs FOR DISCONTINUED/ TERMINATED ACTIVITIES ALLOWED

Grantees have two options with regard to ADCs for discontinued/terminated activities.

- Charge the ADCs as PACs if the 20 percent planning and administration cap will not be exceeded.
- Repay to its CDBG line of credit or program account the amount spent for the ADCs.

COMPLYING WITH THE 20% PLANNING + ADMIN CAP

The 20% cap is not in the HCDA,
it's in each year's appropriation act



20% OF WHAT PER YEAR?

- Computed for all expenditures/obligations during each program year
- 20% of the sum of your grant + program income received during that program year
- Grantee + all subrecipients combined
- All such funds, regardless of the source FY

WHAT COUNTS AGAINST THE CAP?

- Planning costs under 570.205
- PACs under 570.206
- Not ADCs!

Sum of:

- Expenditures This Program Year
- - Unliquidated obligations as of the end of last program year
- + Unliquidated obligations at end of this program year

NONCOMPLIANCE

- This is a statutory requirement
- HUD no longer allows grantees to “make up” for noncompliance by under-obligating in a future year
- In other words, if you exceed the cap, you will have to reimburse your CDBG program account or Line of Credit
- Importance of accurately tracking program income
- Again, keep in mind the 3-5 year ConPlan cost “bump”

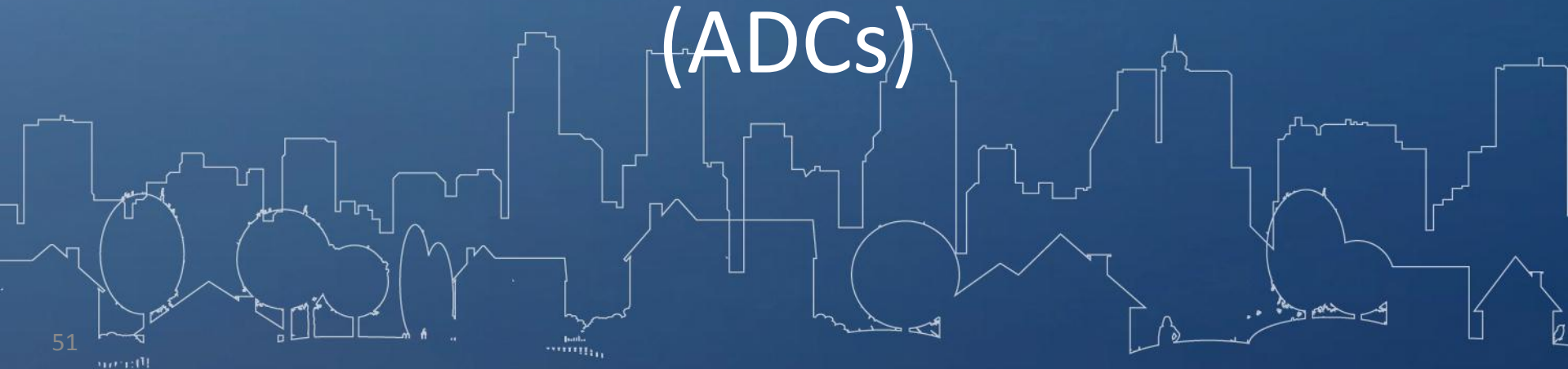
SPECIAL CONSIDERATIONS FOR URBAN COUNTIES



MOST URBAN COUNTIES WEAR TWO HATS AT ONCE

- The County = the Grantee – has the general costs of administering the grant (ConPlan, CAPER, AFFH, Single Audit, etc.)
- A County may implement activities itself & thus have ADCs for those activities
- Most counties distribute funds to UGLGs – the UGLGs have ADCs for those activities
- A County's general oversight of the UGLGs & their activities is a PAC
- The County might also incur ADCs for activities that UGLGs carry out - e.g. the county performs the environmental review, labor standards, relocation/ acquisition responsibilities for UGLGs

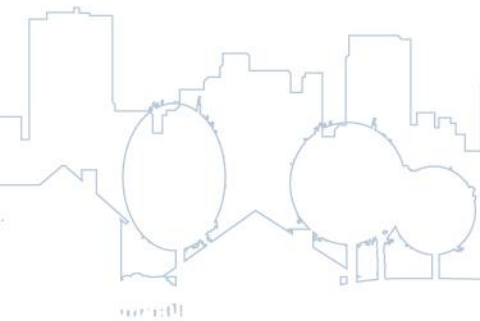
ATTACHMENT EXAMPLES OF ACTIVITY DELIVERY COSTS (ADCs)



ELIGIBLE ADCs: CDBG PROGRAM

Functional Staff-Cost Model

HOUSING REHABILITATION PROGRAM		ALLOCABLE STAFF COSTS	
Staff Organization	Staff Function	Program Administration Costs	Activity Delivery Costs
		(24 CFR 570.205-206 and 570.489(a))	(24 CFR 570.201-204)
Grantee's CDBG Program Management	To administer, plan, and carry out a CDBG-assisted community development program and related activities	General management of personnel tasked with oversight and coordination, monitoring and evaluation, reporting and audit compliance	When time is spent on the implementation of a specific CDBG-eligible activity
Division/Program Director	To oversee Support Staff and Line Staff in carrying out CDBG-funded eligible activities or program(s) as identified in the grantee's consolidated plan	General administration and program management of financial requirements, program- and activity-related staff, and overall activity implementation and outcome evaluation	Time spent carrying out specific CDBG-eligible activity work, such as conducting the environmental review, administering Davis-Bacon requirements, or overseeing relocation benefits
Unit of General Local Government (UGLG) or Subrecipient Staff	To carry out CDBG-funded projects and activities located in their jurisdiction as an urban county participant, or under a subrecipient agreement	General UGLG administration, financial requirements, reports, documentation and compliance records, monitoring and oversight	All project-related implementation activities per a written agreement between the grantee and UGLG, or subrecipient
Project Managers	To oversee Line Staff and Support Staff in the implementation and carrying out of eligible CDBG-funded projects and activities	General administration duties for program management, program planning and analysis, reporting, monitoring and evaluation	Oversee day-to-day specific CDBG-eligible activities: Underwriting loans, reviewing construction progress, processing contractor invoices, approving change orders
Support Staff	To carry out general capacities for program management, oversight, and coordination of the grantee's CDBG program	General administrative and planning, analysis, reports, program monitoring and evaluation, and audit compliance	Preparing contracts, loan documentation, processing contractor payments, loan repayments, recording liens and notices of completion
Line Staff	To carry out the implementation of CDBG-funded projects and activities	Planning and analysis, reports, program monitoring and evaluation, and audit compliance	Perform specific CDBG-eligible activity implementation work: loan processing, construction progress inspections, contractor payments, change order initiation
Contractor	To perform for compensation with regard to implementing and completing a CDBG-funded project on behalf of the grantee, UGLG, or subrecipient	N/A	Perform in accordance with a written contract between the grantee, unit of local government, subrecipient, or homeowner
Homeowner	To receive the benefits of a CDBG-assisted activity	N/A	N/A



ELIGIBLE ADCs: HOME PROGRAM

CDBG funds may be used to pay for housing services in support of HOME-assisted projects. This provision is codified in the CDBG regulations at 24 CFR 570.201(k). Eligible HOME housing services include:

- housing counseling in connection with tenant-based rental assistance
- energy auditing
- work specifications and architectural plans
- loan processing
- tenant selection, and
- other services related to assisting owners, tenants, third party entities participating or seeking to participate in a HOME project.

ELIGIBLE ADCs: ESG AND HOPWA

Activities that are eligible under the ESG and HOPWA programs that are also eligible under the CDBG program include:

- street outreach
- mental health care
- homeless services
- transportation of unsheltered persons
- emergency health services
- life skills training
- job training
- security deposits
- renovation of buildings to be used as emergency shelter for the homeless
- housing counseling
- acquisition, rehabilitation, conversion, lease and repair of facilities to provide housing
- health care for the person with AIDS
- drug/alcohol abuse treatment and counseling
- nutritional services
- supportive services such as day care

INELIGIBLE ADCs: ESG - HOPWA

ESG/HOPWA INELIGIBLE ACTIVITIES

ESG-eligible activities such as the payment of last month's rent, utility payments up to 24 months, and short- and medium-term rental assistance are not eligible in the CDBG program. Therefore, no CDBG funds may be used to pay the ADCs of these activities.

HOPWA-eligible activities such as project or tenant-based rental assistance; new construction of single room occupancy dwellings (unless carried out by a qualified CBDO); and short-term rent, mortgage, or utility payments that do not meet the criteria at 24 CFR 570.207(b)(4) are not eligible in the CDBG program. Therefore, no CDBG funds may be used to pay the ADCs of these activities.

ELIGIBLE ADCs: SHP

Activities that are eligible under SHP that are also eligible under the CDBG program include:

- Supportive services that facilitate the movement of homeless participants to independent living such as outreach, childcare, job training/placement, health care, and transportation.
- Costs for operation of a supportive housing facility such as maintenance and repair, equipment, supplies, insurance, food, and furnishings.
- Acquisition or lease of property to construct or rehabilitate supportive housing for homeless persons.

ELIGIBLE ADCs: S+C

An activity that is eligible under the S+C Program that is also eligible under the CDBG Program include supportive services, which are:

- Health care
- Mental health treatment
- Alcohol/drug abuse treatment
- Childcare
- Counseling
- Education services
- Job training/placement.

All of these are CDBG-eligible public services.

INELIGIBLE ACTIVITIES S+C

- Rental assistance in connection with the moderate rehabilitation* of single room occupancy units (REHAB can be paid with CDBG)
- Project- and Sponsored-based rental assistance.

ELIGIBLE ADCs: HMIS + EZ, EC, RC

The HMIS grantee must be carrying out a CDBG-eligible public service that meets a national objective.

Examples of eligible CDBG costs would include staff time using HMIS for client case management for services being provided to homeless persons, or relating to the operation of a homeless shelter.

EZ, EC, RC ADCs

Eligible EZ activities that are also eligible under the CDBG program include:

- Assistance to businesses.
- Assistance to establish or expand a business.
- Establishment and expansion of microenterprises.
- Services such as job training, child care, and job-related counseling (e.g., interviewing skills).
- Public improvements such as water and sewer and street widening if they are impediments to the establishment, expansion, or retention of one or more businesses in the EZ.

ELIGIBLE ADCs: OTHER FEDERAL

CDBG funds may be used to pay ADCs for other Federal programs such as

- Child and Adult Care Food Program administered by the Department of Agriculture
- Head Start Program administered by the Department of Health and Human Services
- Child Nutrition Programs (breakfast, lunch, and summer food programs) administered by the Department of Agriculture
- Low Income Home Energy Assistance program administered by the Department of Health and Human Services

To be eligible for CDBG assistance, the activity must be in a Consolidated Plan/Action Plan or amended Plan, eligible, meet a national objective, comply with environmental review procedures, cost principles at 2 CFR Part 200, and meet Davis-Bacon labor standards, if applicable.

The statute and regulations for each of these programs should be consulted to ensure there are no requirements that conflict with CDBG program requirements.

ELIGIBLE ADCs: CONSOLIDATED PLAN FORMULA PROGRAMS, OTHER CPD PROGRAMS, AND OTHER FEDERAL PROGRAMS

- Salaries of drivers conducting street outreach or providing transportation services, life skill instructors, health care workers, job trainers, mental health counselors, and security deposit intake workers. Only the salaries of the employees delivering the services (rather than an Executive Director or Chief Operating Officer) are eligible as part of carrying out the underlying public service. In addition, salaries may only be paid with CDBG funds proportionate to the amount of time spent working on CDBG-eligible activities.
- Rental of space in buildings for the provision of public services such as mental and health care.
- Materials such as computers, pens, paper, etc. needed for like skills and job training courses.
- Depreciation and use allowances for vehicles needed for street outreach and transportation services.
- Supplies such as beds, tables, and other furniture for shelters serving the homeless and persons with AIDS.
- Desks, chairs, and other furnishings for businesses and microenterprises.
- General office supplies for businesses and microenterprises such as computers, paper, pens, pencils, staplers, paper clips, etc.
- Computers used for job training on Microsoft Office programs.

EXAMPLES OF PROGRAM ADMINISTRATIVE COSTS (PACs)



REQUIREMENTS FOR PACs

HOME

CDBG funds may be used to pay PACs for the HOME program for carrying out the overall administration of the HOME program. This authority also covers overall management and administration costs for implementation of activities that are not eligible under the CDBG program.

ESG AND HOPWA

CDBG funds may not be used to pay the costs of administration and management of the ESG and HOPWA programs nor the salary of a staff person in a general administrative position that works only on the administration of the ESG or HOPWA programs.

Exception

CDBG funds may be used for staff administration costs associated with eligible ESG and HOPWA activities (such as homeless services, health screening, or job training) if the activities carried out are otherwise CDBG eligible and meet all CDBG requirements (e.g., eligibility, national objective compliance, and environmental review requirements).

REQUIREMENTS FOR PACs

SHP AND S+C

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Exception

CDBG funds may be used for PACs associated with eligible SHP and S+C activities (such as supportive services) if the activities carried out are otherwise CDBG eligible and meet all CDBG requirements (e.g., eligibility, national objective compliance, and environmental review requirements).

REQUIREMENTS FOR PACs

HMIS

CDBG funds may not be used to pay for the administration of HMIS because CDBG funds may not be used to pay the general administrative costs of the ESG program or other homeless programs under the authority of 24 CFR 570.206.

EZs, ECs, and RCs

CDBG funds may be used to pay planning and administration costs for the overall administration of a federally designated EZ or EC.

CDBG funds may not be used to pay planning and administration costs for RCs because they are not included as eligible communities in the statute.

OTHER FEDERAL PROGRAMS

CDBG funds may not be used to pay the planning and administration costs for the overall administration of other federal programs, even if some of the activities are CDBG-eligible and meet a national objective.

REQUIREMENTS FOR PACs

ENVIRONMENTAL COSTS

ELIGIBLE AS

Planning Costs under 570.205:

- General Environmental/Urban Design/Historic Preservation Studies & Plans; Remediation Plans

OR AS

Activity Delivery Costs:

- Activity-Specific assessments & clearances
- Activity-Specific Remediation Plans

Since they can be either, grantees are better calling them ADCs.

REQUIREMENTS FOR PACs

DISALLOWED OR TERMINATED ACTIVITIES

Grantees have two options with regard to ADCs for disallowed/terminated activities.

- Charge the ADCs as PACs if the 20 percent planning and administration cap will not be exceeded.
- Repay to its CDBG line of credit or program account the amount spent for the ADCs.

Q & A Session



Wrap Up

- Additional resources:
<https://www.onecpd.info/resource-library>
- Recording:
(<http://www.onecpd.info/training-events>)
- Brief feedback survey and instructions to get credit will be emailed