

Co-Managing Disaster Recovery and CARES Act Programs

Wednesday, November 17, 2021

And we'll talk about those in a little bit later, and also any waivers from the CDBG requirements. So HUD has the ability in some cases to make waivers to some of the traditional CDBG rules to make the program more flexible and adaptable to what we're dealing with on the ground. So for example, with the CDBG-CV funds, there was a waiver eliminating the 15 percent cap on public services.

All right. And then now I'm going to kick it over to Randall who's going to go on the differences of the two programs, Mr. Mullen.

Randall Mullen: Okay, Stan. Yes. What are the differences? While both the CDBG-DR and CDBG-CV programs must tie back to significant events the requirements are slightly different. A CDBG-DR funded recovery program must respond to the typed locations of needs resulting from the disasters direct or indirect impact. Specifically, the most impacted and distressed areas. And that planned response is described in what we call a needs assessment.

It quantifies the disaster's impact and the estimated cost of recovery. A grantee identifies gaps in funding that can be filled with the use of the CDBG-DR grant funds. And related recovery activities are then designed to meet those unmet needs based on that assessment and public comments. A grantee publishes its action plan and then ties the recovery activities to be detailed in the needs assessment.

Next slide, please. No comprehensive needs assessment is required for CDBG-CV. Because of the ongoing nature of the pandemic it is not possible to fully quantify the event's direct and indirect impacts nor estimate the total cost of recovery. The CARES Act requires that each CDBG-CV funded activity must 'prevent, prepare for and respond to the coronavirus. A phrase that by now, we would hope that all of you are familiar with.

In its action plan a grantee simply identifies planned activities for use of grant allocations follows an expedited public comment process and submits a substantial amendment to HUD. Subsequently, the grantee provides documentation, which ties back to widespread impacts of coronavirus. And as Stan explained, takes specific steps to prevent any duplication of benefits from the related financial assistance. Now, Stan will begin to describe the typical activities that both states and local governments have undertaken with grant funds from these two programs. Stan?

Stan Fitterman: All right. So these activities tie back to the disaster for which the funds are appropriated. Housing and public facilities are often addressed with DR money and the -- with housing it's usually and we'll talk about it in the next slide, but housing is usually required primarily for DR. Grantees must primarily address unmet housing needs. And as you can imagine, homes get damaged during storms, and homes get damaged during fires.

Public facilities get damaged during floods and storms as well as potentially during fires. DR public services can include helping people sort through their assistance options which sometimes can be a little bit complicated. Special economic development activities can, depending on the location, include financing for large-scale, commercial and industrial development for a broad set of economic revitalization initiatives.

And we're going to talk about some specifically a little later. And this may include, but not limited to the development or redevelopment of commercial projects mixed uses and getting back again on the improvement side as also infrastructure. Okay. As we said, the primary focus of DR activities is to address unmet housing needs. This includes rehab of damaged units. With DR there's often permitted by waiver of new construction.

So you can do new construction and there are communities around the country that are doing this with rental housing when they lost a lot of affordable rental housing that was located in an area that's subject to disaster again. I think one of the more important things to know about the DR with repair or reconstruction of public facilities, as well as with housing repair is you can build it back to be more resilient. Which makes total sense.

Why would you rebuild something the way it was when the last time it was built that way a storm came through or a flood came through and flooded it. So you have the ability to make things more resilient with DR funds. And it's important to note that a certain percentage of every grant must be expended for activities that benefit low and moderate income persons. This is a part of the CDBG gig, right?

With 70 percent has to go for low mod. And DR, the federal register notice tells us what percentage of the DR funds for that award have to target low and moderate income persons. And the people have to be in what as Randall mentioned, the needs assessment in the most impacted and distressed areas.

All right. I'm going to kick it back to Randall who's now going to describe how CDBG-CV funds can be used.

Randall Mullen: Okay. Stan. Yes. And we included this item of typical activities on the agenda for an important reason. We think that understanding how the CDBG grants have typically been used as Stan explained, and then as how CDBG-CV funds can be used, as I will explain will help to better recognize the potential for co-managing these two programs. We urge you to keep that thought in mind as we go through this list of typical activities.

Now we'll turn our attention to how CDBG-CV funds are used. They may be used for eligible CDBG activities that tie back again to the pandemic. There's the phrase that I referenced earlier to prevent, prepare for and respond to COVID-19. To date, most activities typically have included public services that is specifically emergency payments to be covered on the next slide, but also housing-related activities, public improvements, and facilities, real property acquisition, economic development activities.

And yes, of course, general administration and planning. Activities must benefit residents within the jurisdiction of the grantee or as permitted by the CARES Act. At least 70 percent of every grant must be expended for activities that benefit low and moderate income persons by providing a public service, housing access to new or significantly improved infrastructure or a permanent job. The remaining 30 percent may be used to eliminate slum and lighting conditions or to address an urgent need for which the grantee certifies it has no other funding.

Next slide, please. Now, how can CDBG-CV be used in a manner similar to the DR Program? Well, as with the CDBG-DR program, HUD has issued special guidance through the federal register notice that Stan referenced earlier, and it was published in August of 2020. The notice implements features of the CARES Act intended to do something very important to states and local governments attending this webinar.

And that is to enhance flexibility in response to COVID-19. And we want to stress that at point because it even today is not fully recognized. Certain CDBG-CV funded activities can be carried out with added flexibility necessary to address the dangerous nature and extensive scope of the pandemic even to this day. Let's take a closer look at alternative requirements that permit such flexibility for these three types of activities.

Emergency grant payments, business assistance, and microenterprises. Next slide, under the category of public services, CDBG-CV funds can be used to make emergency payments as many grantees represented on this webinar had done across the nation. Those payments have covered such items as food, clothing, housing, rent, or mortgage and utilities. Recently we've noted that housing related payments have begun to shift from rent to mortgage payments.

That the payments must be made to a provider such as a utility company on behalf of the individual or family. The simple table on this slide indicates a related alternative requirement, which permits emergency payments under CDBG-CV who are up to six consecutive months that's instead of the three consecutive months permitted by CDBG. It is also important to note that the public services cap which limits spending on public services to 15 percent of CDBG resources, it is waived for CDBG-CV.

There is no such spending limitation on public services expenditures for CDBG-CV grants. Next slide. Now, how can CDBG-CV be used in regard to those other types of typical activities? CDBG funds can be used widely for business assistance and microenterprise assistance. The business assistance it's typically offered to avoid job losses caused by business closures related to social distancing.

Short-term working capital, for example, is provided to small businesses to enable them to retain jobs held by low and moderate income persons or to retrofit their place of business to recover from the pandemic. Businesses comprised of five or fewer employees, which we call micro enterprises have received technical assistance as well to help establish, stabilize or expand their so-called micro enterprises.

And then such businesses often provide medical food delivery, cleaning, and other services to support home health and orienting. Now that we've reviewed the typical activities that grantees either have undertaken or can undertake with CDBG-DR and CDBG-CV, Stan will start to identify a variety of opportunities to strategically manage the programs in a coordinated and effective manner. Stan?

Stan Fitterman: All right. So the premise for identifying opportunities to strategically manage the programs ties back to the events that cause the conditions and needs that the two grant

programs typically address. So both the natural disaster and the pandemic present significant community needs that directly and indirectly arise from the events impact, right? Casualties, damages, emergencies, and economic disruption left in their wake. So let's look at DR activities.

Unmet housing needs with the direct or indirect tie back to the disaster in question. So we talked about this earlier. Repair of homes damaged by the event that were beyond what was paid by insurance or FEMA. Buyout programs enable homeowners in high risk areas to relocate to safer locations. Damaged public facilities could also repair [inaudible] more resilient as we discussed. Okay. CDBG-CV activities for homelessness public facilities.

The pandemic has resulted in a strong push for non-congregate emergency shelters. So instead of having one room with a bunch of cots, people were looking toward having people having their own space. So this is included using CDBG-CV for rental of hotel rooms. California was one of the early ones that did this with their project room key. It also includes using CV for the acquisition and rehab of existing motels or hotels to be used to housing people experiencing homelessness.

And as we'll discuss in more detail in a few minutes, CDBG-CV is conducive to small-scale economic development activities like business assistance, providing loans and grants for people whose business has been disrupted by the pandemic to be able to have funds to pay for rent and keep their doors open while waiting for things to get -- to recover. Technical support and services.

Those of you that might've been on the economic development best practices webinar a couple of weeks ago may have heard from Colorado Springs who talked about they used a nonprofit that provided technical assistance to business and micro enterprises to manage their business assistance program. So they had both business assistance combined with the technical support and we'll talk about that in a little more detail later, and then micro-enterprise assistance can of course receive both business assistance and technical support.

And those of you that are running business assistant programs probably know there are a lot of businesses out there that are running -- that don't have the capacity to do financial statements, balance sheets. I worked with one, several that were running their business out of their personal checkbook. So it makes it hard for you as the grantee to make sure that the money you're giving is actually going towards the business and actually covering expenses of the business.

So some homeless examples, we talked about public facilities, rent subsistence programs are an answer for those focusing on housing issues. Grantees can prioritize assistance for families that recently exited a rapid rehousing program or currently in a permanent supportive housing with maybe an adequate rental assistance. And these activities more than likely will meet the low mod clientele national objective.

Make sure I've covered everything on that slide. Okay. So I found this very interesting; these approaches. So California and King County, Washington are two places that began acquiring hotels or putting people up in hotels that were all experiencing homelessness. California had project Room Key, which as we said to move people experiencing homeless in the hotels, then

they create a Project Home Key that funds the acquisition of existing motels to be converted into either non-congregate shelter which is going to be a public facility or into permanent supportive housing.

And early on in the pandemic, April, 2020 King County, Washington, which is Seattle moved around 700 people out of high density, congregate shelters and into hotel rooms. Some academic types from the University of Washington did a study of that and concluded that the shelter de-intensification as they called it, moving people into hotel rooms and added congregate public facilities to congregate emergency shelters, not only limited the spread of COVID among individuals compared to those who stayed in congregate settings.

But it also found that the hotels that moved into the hotels experienced higher exits to permanent housing and indications of greater engagement with homeless housing services and those that remained in concrete shelters. Now, I don't think it's easy having done homeless housing development and worked with that population for a while, just to give folks a hotel room and all their problems go away.

And it may be possible that the folks that ended up in the hotel were maybe in a better position to take advantage of those services and move to permanent housing than the folks that stayed behind. Nevertheless, there was some indication and some evidence that moving folks out of congregate shelter into a non-congregate setting is better for them. Okay. Once again, we can't say it enough with the public services cap lifted, we can have a higher percentage of our total funding be used for emergency assistance, especially for families facing eviction.

And several grantees funded food distribution, and some funded restaurants to provide meals to families in need. Vermont had a program like this which I thought was extremely fascinating because not only was it getting food to folks that needed it during the height of the pandemic and also was funding restaurants who had to close their doors and weren't sure where they were going to be spending -- getting money from.

The typical customers weren't going to be able to come in so it was funding restaurants as well as providing meals to families in need. So each of these opportunities to use CV funds can address housing and community development needs in response to the pandemic often exacerbated by recovery from past or recent natural disasters. So Randall's now going to talk about some opportunities that aid in economic recovery.

Randall Mullen: All right, Stan. Yes. Early in the pandemic, HUD recognized the significant public benefit derived from the provision of assistance to stabilize or sustain businesses and jurisdictions that suffered disruption due to the coronavirus. That guidance in the federal register notice or CDBG-CV sought to facilitate business assistance for this purpose and to avoid economic collapse within a grantee's jurisdiction and now to foster its economic recovery.

Therefore, CDBG-CV, it has been more targeted to small scale economic development activities than CDBG-DR. Examples include business assistance services and micro-enterprises that as indicated on this slide, target central business districts or expand goods and services to the core or create so-called business incubators. Next slide, but also established a waiver and alternative

requirement to facilitate an expedite assistance to businesses affected by the pandemic through streamlining the national objective criteria and recordkeeping requirements.

And this is for both activities that benefit low and moderate income persons by retaining or creating jobs. This slide describes a location presumption as well for LMI status for job creation and/or retention. Next slide. And as you may know, the normal job creation and retention requirements consider family income when determining whether a beneficiary is a person of low and moderate income.

But these requirements are likely to be burdensome during a time when unemployment had surged and family income was more difficult to document. Collection of information related to income directly from an assisted business streamlines the assistance. Grantees and employers may consider individuals that apply for or hold jobs to be members of one person families for activities that prevent, prepare for and respond to coronavirus but also modified the record keeping requirements by adding the following additional presumption.

It states that HUD will consider a person income qualified if the annual wages or salary of the job is equal to or less than the Section 8 low income limit established by HUD for a one person family. And the business may substitute records showing the type of job and the annual wages or salary of the job. Next slide. Also an alternative requirement modifies the so-called public benefit test.

Those who've been actively involved in economic development are familiar with that particular test. For CDBG-CV funded jobs it is different or ordinarily the test examines both aggregate and individual benefits. But HUD waived the aggregate benefit test entirely and raise the individual benefit tests. Specifically, the cost of a full-time equivalent job is a maximum of \$85,000 per year as shown on this table.

The alternative also provides similar flexibilities for the provision of goods and services. Whatever the community development needs a grantee can identify opportunities such as these to separately use both CDBG-DR and CDBG-CV funds. Those activities might complement each other and more fully address an established need. But Stan will now take this approach a step further toward co-managing the two programs. Stan?

Stan Fitterman: All right. Let me make sure I'm off mute. Okay. All right. Thank you. So at the start of this webinar, we noted that many grantees might want to come in as both grants and we said we'd explain how that could be accomplished in a coordinated and effective manner. So why would your jurisdiction want to do to receive both DR and CV grants and want to fund the same type of activities?

Well, the community needs might have changed between the national disaster and the pandemic. Conditions have evolved during the pandemic and presented similar difficulties in emergency response and recovery. We've had staff that know how to run the CDBG-DR, a few extra waivers, a few extra requirements, but you've got a lot of the same knowledge-based needed to implement an effective CV program as you need to do a DR program.

And the potential for a duplication of benefits becomes manageable because with DR, every DR grantee has had to set up a system of how they're going to identify duplication of benefits, so that infrastructure is already in place and you've got staff that understand what duplication of benefit means. So it potentially could make the duplication of benefit analysis of that whole process more manageable. So what are some examples?

Well, we could offer CDBG-CV funded, emergency payments, rental assistance to address those at risk of homelessness, particularly DR assisted households. Special outreach to homeowners receiving DR funded repairs to make sure they're aware of any CV funded mortgage assistance, because that would not be fun if we put a lot of money into rehabbing someone's home and have them lose it because they couldn't afford their mortgage anymore because of loss of jobs to the pandemic.

But we have a CDBG-CV funded mortgage assistance. For businesses that receive DR funding as needed CV funded assistance to pay for rent. I know a lot of you around the country had business assistance programs that paid for folks rent for their business so you could target that to businesses that received DR funding. If you're funding micro-enterprises with DR, CV could be used to fund the technical assistance.

And this is going to be especially important for small businesses, since many do not have the expertise to maintain the financial records this needed for assistance, perhaps from SBA programs or borrowing any money from a bank. One example would be a public facility repaired with DR funds that's seen as these change through the pandemic.

CV funds could be used to address additional needs such as a need for an outdoor dining at a senior center or at a community center. Improved HVAC programs. We're seeing some communities around the country that are using CV funds to improve HVAC at public facilities to either increase ventilation and there's some technologies, the ultra-violet germ eradication that removes -- or to remove air contaminants to remove viruses from the air.

There's also HEPA filters when some systems need to be restructured, some HVAC systems need to be redone so they could use, make use of the HEPA filters, which again claims they get rid of a large percentage of virus particles in the air. One thing that I want to remind everyone is that if you've already committed state or local dollars, like general revenue to a project, you can't -- and there a paper trail showing that you committed these programs -- this money to this project, you can't decide that you're going to pull that local money and now use federal money to do that project because it's available.

The OIG and the HUD monitors get very grumpy when they see this -- it's called supplanting, and it's not something we're allowed to do. All right. Now, we're going to conclude with some examples of co-managing DR And CV programs with one designated to foster economic recovery and an unprecedented combination of natural disasters and a public health grant crisis. So Randall tell us about Puerto Rico.

Randall Mullen: Okay. Yeah. Stan. And this is a very illustrative example that points out how the programs can be co-managed in a coordinated and effective manner. It's among the best

examples I have seen of fostering economic recovery. In disaster impacted areas that received CDBGDR funds, businesses, their needs have likely changed between when a CDBG-DR action plan was written in the beginning of the pandemic officially in January, 2020.

Affected businesses, for example, they may need more working capital or rent assistance than contemplated when the CDBG-DR program was established. Also the type and size of businesses affected by the pandemic is more varied and widespread than only those businesses impacted by a previous disaster. As such, grantees have chosen to use CDBG-CV funds to assist a wider variety of small businesses, micro enterprises.

So as I mentioned earlier more than very large scale initiatives to support economic revitalization across the entire jurisdiction or state. In October, 2020, a little over a year ago, the Commonwealth of Puerto Rico amended its action plan to allocate CDBG-CV grant fund for micro enterprise assistance program activities in response to COVID-19.

Municipalities provide assistance through grants, to eligible micro-enterprises, specifically for medical, food delivery, cleaning, and other services to support home health. The program compliments a much larger scale economic development initiative that's funded by CDBG-DR grants by which the territorial government offers to support widespread economic revitalization and recovery from disasters caused by hurricanes Irma and Maria in 2017.

Next slide. Okay. It's now time for us to address the questions that have been raised in the chat James and Robert, Gloria and Clay have answered several of the questions already. But we do have ample time for more questions that can be answered now. So Stan, what is the first question that we can direct to the experts at HUD?

Stan Fitterman: The first question was when was the 15 percent public services lifted? We can answer that, or we can flip that to Robert.

Robert Peterson: Yeah. I can answer that.

Stan Fitterman: All right.

Robert Peterson: So that was with the CARES Act. So that applies to the use of CDBG-CV funds. So basically you could use your entire CDBG-CV grant for public services to prevent, respond, or prepare to the coronavirus. Additionally, it applies to the use of 2019 and 2020 CDBG annual awards, but only when those funds are used to prevent, prepare, or respond to coronavirus. So for your 19 and 20 annual awards for other public services not related to coronavirus, they would still be capped at 15 percent, but public services that relate to coronavirus that have the PPR tied back would not be capped.

Stan Fitterman: So, yeah. So I guess also just to elaborate on that, so when was it lifted -- or it was lifted when, as you said, and when the CARES Act was passed and the federal -- it's also in the federal register notice that told us how to spend the money?

Randall Mullen: And that occurred in August of 2020. So it's been in effect for a long time now. The next question that I see here relates to a planning process, is there a regional strategic planning process we should be following to identify needs and potential solutions? And then there's a related question, Robert, what other organizations should we consider partnering with?

Robert Peterson: Yeah. So it's an excellent question. Our CDBG grantees are required to undergo a planning process. It can be regional, it's definitely strategic. As a matter of fact, our grantees submit a consolidated plan, which includes various components and includes a strategic plan, which is designed to respond to the needs that are identified. Part of the plan includes a market analysis for housing and non-housing needs.

And it's the strategic plan that sets the goals that you'll be responding to in relationship to those needs. And then there's an action plan that is prepared that describes how those funds will be used to respond to those goals. Now with CDBG-CV funds. And I'm sure this is true with DR funds as well.

I think our grantees are -- traditionally our community development agencies they found themselves partnering with new entities to address the new types of needs that maybe their annual programs didn't cover in the past. Right. We saw CDBG grantees partnering with county health departments and other such entities that maybe in the past they wouldn't have been involved with.

So we definitely encourage that type of coordination, particularly with regards to the state CDBG program. We saw a huge expansion in the types of partnerships that we're being engaged in because particularly for state CDBG, state CDBG-CV funds were the state's first opportunity to act directly. Normally under the state's CDBG program, our grantees are required to serve as a pass through or required to make awards to local governments.

So they essentially can only make awards to cities and towns that aren't directly funded by HUD. The ones that are directly funded by HUD are called entitlements. So for the state program, it's picking up all the other cities and towns in the state, typically the rural and suburban communities that they apply to the state for funding.

Now under CDBG-CV states were still required to use a portion of their funds for those units of general local government, for those awards that they would traditionally serve as a pass through for. However, they were allowed to act directly. So that meant that states could partner with different types of entities enter into inter-agency agreements, essentially with -- potentially with state health agency.

Maybe with those county health departments that I mentioned entering into agreements with non-par nonprofit partners and other partners directly from the state level. So again, all of this would be found in those action plans that are discussed. And in terms of the strategic planning portion there was a few waivers that were offered initially in terms of that process as it relates to CDBG-CV funds in terms of the needs assessment components and the setting of the goals.

There was this recognition that in order to launch an expedited program that the response needed to be swift and that there was a broadly recognized need to respond to coronavirus and that our grantees would not be required therefore to provide a needs assessment, as it related to coronavirus. They could simply introduce their response, essentially their action plan for the use of those funds. So I hope that answers the question probably a little too much so.

Stan Fitterman: All right. So our next question is how much rent going pay per household? Is there a limit for the dollar to the dollar amount?

Randall Mullen: No. Not exactly. However, you are only helping low and moderate income persons. Therefore, their rents will typically be in the range that you would expect for a low and moderate income person. Now, there can be a bit of a variance there in terms of what you are -- what your dollar amount ultimately is because in your first month that you're paying for their rent on their behalf, again, not directly to the person, but on their behalf you could be paying some arrearages as well.

And then that assistance typically that type of emergency payment would be limited to three months under regular CDBG rules. For the purpose of CDBG-CV, it was extended to six months, but it's six payments essentially. So if that first payment includes multiple months of arrearages that would still only count as one payment one month up to six payments that could be made.

Stan Fitterman: And I've seen some communities that have put a limit on how much, and I would just say to make sure that your limit consists an amount where you can actually help people, as opposed to giving them a small sliver of what's owed and then they ended up getting evicted, anyway.

Robert Peterson: I mean, I live in Washington DC it's a high housing cost area, and this is true of other areas as well. But like there's parts of town where you can't afford to live here unless you have roommates or you're splitting the costs. But there's only one person's name on the lease and that rent might look high but at the end of the day you realize it's actually being divided between potentially four or five individuals or two or three families. So I'd be cautious about how you apply such limits.

Stan Fitterman: Robert, we have another related question related one that covers rental assistance, and it is from an anonymous attendee. But the location referenced is California, it reads after a disaster we have very low income. I'm sorry -- after a disaster, we have very low vacancy rates in California. Is it possible to receive swift bare market rent waivers or rental assistance programs? And I'm unclear whether that's referring to a CDBG-CV or funded rental assistance activity or not. But let's presume that it is related to CV.

Robert Peterson: Yeah. And I don't know.

Stan Fitterman: Yeah. We don't use the FMR and CDBG.

Robert Peterson: Now our grantees might -- this is a common rhetoric that you'll hear from the federal government is that we sort of set the overarching outline for the program and then our

grantees can apply stricter requirements. So some of our grantees may have applied FMR to rental assistance. That's fine if they choose to do that they can be more restrictive.

So in terms of requesting a waiver, it wouldn't be a request that's made to HUD, it would be a request that's made to that particular grantee, potentially the state, or if it's an entitlement, a grantee of HUD, then for that type of a question that's where I would start. Now, if it's related to the home program, for example, I can't really speak to that, I'm sorry. But my expertise is limited to CDBG.

Randall Mullen: What we often find is that in some states and even local jurisdictions, there is a pattern of applying home guidance to those CDBG funded activities like rental assistance that is emergency payments that correspond to the home program guidance. And that can be an added point of control, but it also can present issues. Robert is explaining that that this would be a self-imposed waiver requirement if we're interpreting the question correctly.

And he's right, for those of us who also know home, it would be a decision made by a separate office of the department of HUD, the Office of Affordable Housing Programs, not the office that's represented today, the Office of Block Grant Assistance. And then we could also go back Stan and repose certain of the questions that were raised in the chat and answered; in case some of you who maybe didn't ask the question were not looking at the chat to see what the answers were.

And therefore I would benefit from hearing the answers that were provided earlier by either Robert, Clay, or Gloria. One question that I see relates to public improvements, public facility improvements, and it reads can a school upgrade its HPAC system with CDBG-CV and qualify as low and mod through their free lunch program.

Robert Peterson: Well, probably. It depends on the criteria that they use for their free lunch program. It depends on how many of the students are in the free lunch program. Remember that, essentially if you're able to show that the criteria for your free lunch program are comparable to the -- or more restrictive than the criteria for low and moderate income then the second question is at least 51 percent of those students, low and moderate income using that alternative documentation and then HVAC systems have generally been considered to have PPR tied back. It depends on what you're doing to the system, of course, but it's been a common approach to reduce the spread of coronavirus, improve filtration and air replacement rates.

Stan Fitterman: I think Randall; we have another rent question. Is there a limit to the number of months we can pay past due rent and how much -- is there a limit on how much we can pay for moving costs first, last and security?

Randall Mullen: So I don't know what moving costs would entail in terms of first, last security. Those are generally considered the types of housing costs that would be covered. In terms of the number of months of arrearages that you could pay and what that would count towards the single -- whether it counts as a single payment in terms of the six months. I think I would generally just refer you to the guidance piece that we've provided. Maybe Gloria can help me out and put a link

to that in the chat. We offered some guidance on arrearages and payment of emergency. Emergency payment for housing.

Gloria Coates: Yes. According to that guidance, appears that they can start from any point of arrearages. Let's say if they had six months of arrearage, they can't pay that and then five more to get the six consecutive months. But grantees have to keep in mind that they must determine that the amounts that they pay on behalf of income-qualified households are also necessary and reasonable.

And part of that discussion takes into consideration how they became behind -- if they're likely if you help them this time will they lose their home anyway? Each household applying for assistance has to be viewed on a case by case basis to determine whether or not it would be necessary or reasonable to assist that household.

But I would say this is the American rescue plan, allows 18 months of payments, most grantees have probably resorted to using that money because it doesn't have the same restrictions that CV does. And plus some people have a hard time figuring out that guidance. I admit it can be a little confusing, but the way I see it is they can look at how many months they are behind and that can just be one of the six payments. Does that help?

Randall Mullen: We also have a question related to an example, I believe you shared, Stan. So I'll raise the question and perhaps the HUD panelists can answer it or you can identify information that we will later be providing on additional resources. The question is, do you have data about any communities that are specifically directing CDBG-CV, housing-related activities to address homelessness, especially to fund housing for unsheltered people?

Stan Fitterman: Well, the ones that we discussed with the Project Home Key in California is probably one of the biggest and more concerted efforts. And I haven't really pulled other data out there for other states other than knowing that Seattle did the same as well. And Robert or Gloria do you all have any anecdotal evidence of other folks that are doing that?

Robert Peterson: Yeah. It was anecdotal. Well it's the purchase of hotels room occupancy has been a big type of activity that folks have been engaged in.

Randall Mullen: And a related question, Robert is what about the new construction of permanent supportive housing in a community that can document a high level of coronavirus?

Robert Peterson: I think we'd probably have to look at that one, in a little more detail.

Randall Mullen: Yeah.

Stan Fitterman: Because unlike DR with CV, right, there's no waiver for new construction. So [inaudible].

Randall Mullen: So at the face of it that might be difficult to accomplish.

Robert Peterson: It's new construction of housing. Construction facilities is permissive. So it depends on what exactly we're talking about with this particular activity.

Randall Mullen: And if the staff programs definition of permanent supportive housing is used it probably would be not a facility, but some housing units. So that might present a challenge. Stan, do you see any other questions? If not, we can move on to the resources.

Robert Peterson: [Inaudible] hear at the end from Carla. At the end of the answered questions.

Randall Mullen: Yeah.

Stan Fitterman: [Inaudible].

Gloria Coates: Is that what you're talking about? That's not something that's generally eligible and see if you could talk about case management.

Stan Fitterman: You're talking about the cost overruns question, Robert?

Robert Peterson: Yeah.

Gloria Coates: [Inaudible].

Robert Peterson: So generally, so cost over runs while the pandemic has increased the prices of materials that doesn't mean that the activity is suddenly having a PPR tie back. So the question references increased financing costs for new construction, other sort of COVID impacts. Material access, PPE for contractors.

In general, if there's an activity that was planned prior to coronavirus unrelated to coronavirus and now it suddenly costs more to do that same activity, it's not like CDBG funds could be used to pay the difference. It's not like the activity has a coronavirus tie back. They only tie back is to the increased costs of the activity and that doesn't meet the requirement of the activity having a tie back.

Randall Mullen: Yeah. That makes sense. Okay. Well, if there are no other questions you can advance to the next slide, Stan. And lastly, we want to identify available resources on the HUD Exchange. Stan's going to go over the resources as well as upcoming webinars that we think might be useful as further information on this topic of co-managing CDBG-CV and DR programs.

Stan Fitterman: Well, so the inspiration for this webinar was a quick guide that was written on co-managing disaster recovery and CARES Act program, which is available on the HUD Exchange; is also a very good CDBG-CV, PPR, tieback flexibilities guide on the exchange and duplication of benefits for those of you that haven't been doing a DR directly, there's a very good duplication of benefits one as well.

Webinars, economic development strategies. I thought that was a very good webinar and subrecipient management. I also want to remind folks there is an FAQ still for CDBG-CV, and you can also get some on-call technical assistance by requesting that as well. With that disaster recovery, the tools and template library is again a great resource. There's a toolkit for CDBG-DR, there's a CDBG-DR policy guide.

This is exceptional because I helped write it, but nevertheless, it's there. The federal register notice for the CV provides a lot of information on just the basic information and the information on the waivers. And then there's also other resources at that CDBG-CV link there on the HUD Exchange.

There's again a kind of a toolkit oriented links that provide us with the quick guides and the notices and some of the notices that HUD has published on CDBG-CV. And then as we mentioned there's an FAQ on CDBG-CV notice and there's also an ask a question desk that you can ask a question through the HUD Exchange and get an answer usually within a couple of days at the longest.

Randall Mullen: And one thing that I will note in this list of the additional resources and links that Stan has covered embedded in certain of the pieces of guidance. For example, the CDBG-CV, duplication of benefits guide, there are further hyperlinked tools that can be used, and we would urge you to look into those documents because they are very instructive in respect to how to both carry out this initiative of co-managing the two programs in a manner that is effective.

But also documents compliance and enables you to demonstrate that you are achieving the effective benefits that are intended through combining the two programs. So that brings us to the end of our presentation. we did want to call upon Robert to offer any concluding remarks. Do you have any parting wisdom, Robert?

Robert Peterson: Wisdom, I don't know. I want to thank you all for attending and particularly in the context of dealing with both disasters and the pandemic, the role of government is ever so critical and I want to thank everyone for stepping up to the challenge and the work that you do to serve the country. So thank you very much.

Randall Mullen: And thank you, Robert, and the rest of the HUD panel. We appreciate your participation and hope you enjoy the rest of the day.

John Panetti: Thank you everybody for attending this webinar, that concludes today's session.

(END)