

CDBG CARES Act Webinar Series

Overview of Federal Register Notice (FR-6218-N-01), 9/1/20

Patrick Jordan: Thank you, Chantel, and thank you for joining today's webinar on the federal notice for CDBG CARES Act. I'd like to introduce our host Marion McFadden.

Marion serves as senior vice president for Public Policy and as senior advisor for Resilience at Enterprise Community Partners where she leads our policy development and research and our advocacy at the federal, state, and local levels. Marion also has more than 15 years of experience of HUD in the Office of General Counsel and in Community Planning and Development or CPD. And thank you for joining us, Marion, to lead this discussion.

Marion McFadden: Thank you, Patrick. Today my co-presenters are going to be Jessie Handforth Kome, who's HUD's director of the Office of Block Grant Assistance; and James Hoemann who's the director of the Entitlement Community Division.

But before we dig into the substance, I wanted to welcome the acting deputy assistant secretary for grant programs, Janet Golrick to do a welcome.

Janet Golrick: Thank you, Marion. Good afternoon, everyone. Welcome to the first CDBG-CV technical assistance webinar for all grantees. Thank you for participating in HUD's program and mission, and thank you for all your input. It definitely helps shape our program, and HUD needs your continuing input as we move forward in implementation.

Good news. On August 7th HUD signed the CDBG-CV notice which issued new flexibilities that states and local governments can use to apply CDBG funds appropriated by the CARES Act to best support the communities in the wake of the coronavirus outbreak.

To date, HUD has provided over \$3 billion in CDBG-CV funds nationwide to help communities combat coronavirus and alleviate economic hardship. As of August 18th, more than 960 grantees had submitted CARES Act plans for amendments to HUD, and more than \$1.4 billion of CDBG-CV is in grantees' lines of credit with more approvals every day.

HUD is also providing flexibility to communities who want to use their existing non-CARES Act federal dollars from CDBG, ESG, HOME, and HAPULA [ph] to support the coronavirus recovery efforts. Grantees submitted a wide range of waiver requests and suggestions for CARES Act implementation. We gave your requests serious consideration, and many of the notice provisions respond to state issues.

This webinar will go over in detail but -- over the details, but I do want to highlight a few points. States may act directly to carry out activities, if they choose. We have streamlined the economic development and urgent need documentation. Emergency payments allowed to extend beyond

the three months to six months, and grantees must expend 80 percent of the grant in three years following grant agreement execution with a six-year overall period of performance.

I would also like to highlight the duplication of benefits requirement. Many states have prior experience with the duplication of benefits because of CDBG-DR, but most entitlement city and counties do not. Note that DOB is a little different for CDBG-CV than CDBG-GR, and HUD will be providing technical assistance specifically on duplication of benefit in coordination with other federal agencies that also have CARES Act funding available.

HUD will continue to support grantees with technical assistance from HUD field staff, TA providers, and the HUD.gov and HUD Exchange websites. At the end of this presentation you will hear more about the planned technical assistance. Please take full advantage of the resources and webinars, and please continue to provide output to the -- input to the department as we go through implementation.

Thank you for the opportunity to meet you today and to talk with you regarding this very essential funding. And I will turn it back over to you, Marion. Thank you.

Marion McFadden: Thanks so much, Janet, and welcome again to all the grantees who are attending today's webinar.

We are in a historic moment for the nation, and state and local government are at the center of the response that communities need. So I just wanted to offer my heartfelt thanks to all of you in government service for the tremendous work you're doing to show up for your communities under completely novel circumstances that none of us could have predicted at the beginning of this year. So truly thank you.

Today we're going to summarize the key components of the CDBG-CV program. We're going to identify the alternative requirements and flexibilities that were granted in the CDBG-CV Federal Register Notice, and we're going to review current and future CDBG-CV resources and technical assistance.

The information provided today may tend to feel a little bit overwhelming because there is so much here, but please understand that this is one of a suite of many webinars and tools and guidances that HUD has planned to ensure that everybody can absorb the new rules. If Stan Gimont were here, he would say this program is built on the chassis of the CDBG program, but it's a little bit different. So we're really going to highlight those differences from the program that you're all used to working with.

So during today's webinar focusing on the notice, we'll focus on national objectives, eligible activities, other program requirements, and extensions of flexibilities granted for your fiscal year 2019 and fiscal year '20 formula CDBG grants. And finally, we'll review those forthcoming resources and save plenty of time for Q&A.

Now, I'd like to turn it over to Jessie who's going to talk about the allocations and the alternative requirements.

Jessie Handforth Kome: Thank you, Marion. So what you can see on your screen now is the allocations to date. HUD has allocated \$3 billion of the \$5 billion in CDBG-CV funds that were made available through the CARES Act on March 27. These funds were allocated using -- the first allocation was allocated using the existing CDBG methodology, the \$2 billion. The \$1 billion was allocated to states and insular areas only using a formula that considered data that was emerging on the risk of transmission, relative share of cases, and there's some other data elements.

And then the third allocation, which everybody's asking about and is going to be allocated in the very near future, we'll use a new formula based on factors that you can see on the table more specifically tied to COVID-19 and the effects of COVID-19 around disruption, for example. And there's much better data now.

Given the importance of this money being spent in a manner related to coronavirus, prepare, prevent, respond to coronavirus, we are able to recapture funds at risk of not being used and reallocate the funding to other grantees. But we don't have rules there yet. There are underlying rules in the CDBG program about reallocations, and we will -- as Janet and Marion have told you, technical assistance is going to be able to -- available to assist grantees as part of the CDBG-CV allocation implementation. Can you give me the next slide?

So we're going to take a look at the key CDBG-CV flexibilities and alternative requirements, and that's a key thing to remember. If you've worked on CDBG-DR, those notices that they publish in the Federal Register for CDBG disaster recovery frequently include not just flexibilities but some additional requirements.

In this case the notice is providing clarification on some additional requirements that came from the CARES Act, such as duplication of benefits. But mostly, the notice is providing additional flexibility, and it's consolidating in one place the flexibilities that HUD has already provided for CDBG-CV in memos, for example. And it also lays out all the flexibilities from the CARES Act.

So let's look at the alternative requirements and flexibilities in the notice at a very high level. So this is going to include the components of the action plan and citizen participation process, modifications and clarifications on national objectives like clarifications on what documentation specifically we will accept for urgent need, changes -- a few changes to eligible activities and CDBG specific program requirements.

So when we're taking a look at this, we can see for all CDBG-CV funds -- excuse me -- we've expedited the citizen participation procedures with permission to go below 30 days but no lower than 5 days for a citizen comment period. We're allowing virtual public hearings, and there's a deadline to apply was extended from August 16, 2020 for FY '20 appropriations. We've extended to August 16th, I believe, 2021.

On the action plan for states, because there are some expansions to state method of distribution. So this is -- there's some expansions in that area for states and the method of distribution to cover

them acting directly, as Janet mentioned, and to allow the expedited citizen participation procedures to flow down to the non-entitlement units of general local government. That's UGLG.

On national objectives we clarify how the overall benefit requirement will apply to CDBG-CV, the urgent need documentation, and LMI job location assumptions and job creation/retention. There's a streamlining of what records you need to keep for that and an alternative requirement.

On eligible activities we're giving you -- you have to have a coronavirus tieback. That's the -- tieback is the word we use for saying that all activities must meet the purpose of the CARES Act, which is to prepare for, prevent, and respond to coronavirus.

The public service cap waiver for CDBG-CV and for FY '19 to '20 funds, economic development flexibilities, the urgent payment -- emergency payments extension to six months, and then some flexibilities around Section 108 when it has a coronavirus tieback.

For states, they can carry out activities directly, and they're also going to be able to conduct activities in entitlement, tribal, and non-entitlement areas, and it lays out the boundaries for that.

The program requirements, there's a bunch of other program requirements they've kind of cleaned up. Cost allowable will go back to January 21st, 2020. We give clarification on duplication of benefits, CARES Act reporting, how program income to CDBG-CV grants will be treated, the six-year period of performance. Environmental requirements are unchanged, but we provide a link to some guidance that will help with streamlining emergency activities. And there's a note on citizenship requirements that applied.

There's -- for states there's a non-entitlement set-aside. There is elimination of state administrative match and an adjustment upward to the state admin and TA cap. So we'll go into more details on all these things, but this is the key to what's in the notice. Marion.

Marion McFadden: Thank you, Jessie. Next, we're going to talk about national objectives and how you can comply.

The overall benefit requirement of targeting funds to low and moderate-income individuals also applies to the CDBG-CV program. The 70 percent cap for CDBG-CV is not tied to your formula CDBG activities and will not be calculated by program year. Instead, it will be calculated based on overall percentage of your total CDBG-CV grant.

Of course, you can also use the urgent need national objective as a component of your CV program. In considering urgent need, grantees must answer three questions. First, is the activity designed to alleviate existing conditions? In answering this question, grantees can demonstrate that the activity is preventing, preparing for, or responding to coronavirus. You're going to hear that text over and over again because the funding has been provided to prevent, prepare for, or respond to the coronavirus.

The second question when you're using urgent need is, does the condition pose a serious and immediate threat to the health and welfare of the community? And is it a recent origin? In

answering the second question, you can refer to the HHS Public Health Emergency Declaration, the Federal Disaster Declaration, or to your own state or local disaster or emergency declaration.

And finally, the third question to ask yourself is, are you unable to finance this activity on your own? In answering this question, given the extreme pressure that you're facing at state and local government through your budgets, documentation of tieback to COVID-19 may satisfy this requirement. So this is an area where we should expect to see additional guidance coming from HUD.

And I'd like to remind folks please to go ahead and put questions into the Q&A box, and we will address as many as we can after the presentation.

There are two primary changes to the LMI, low and moderate-income national objective, and both of them relate to job creation and retention activities. The first is related to the location presumption requirement for documenting LMI status for job creation or retention. As a refresher for everyone, this requirement allows a grantee to potentially use the employee or business job address as a basis for determining if a job is held or made available to an LMI person.

The regulations at 24 CFR Part 570 state that employees who live in a census tract in which the share of LMI residents exceeds 70 percent or who live in a census tract in which the poverty rate is at least 20 percent or 30 percent, if it's a central business district, and the tract displays evidence of pervasive poverty and general distress.

This poverty rate requirement can also be used if the business and job are located in such a tract. The notice waives the central business district requirement of 30 percent, and all areas must only comply with the 20 percent requirement.

The second change is for documenting income for job creation and retention. The notice provides flexibility in that each individual who fills a created or retained job will be considered a one-person family for income validation. This allows the income validation process to be streamlined by only documenting the job type and annual salary of the position in order to confirm LMI status. You don't need to look at other members of the family.

Next, we're going to turn to eligible activities, and James will walk us through this section.

James Hoemann: Okay. If you go to the next slide, Marion.

For reimbursements, the eligible cost must have been incurred since January 21st, which is the date of the first confirmed case of coronavirus. Costs can be incurred and reimbursed before the action plan was prepared and submitted if those costs are eligible and in accordance with program requirements and the action plan.

Eligible activities, we have said this again, but to reiterate, all CDBG-CV activities must be used to prevent, prepare for, or respond to coronavirus. Grantees should consider both direct and indirect effects.

Direct effects includes specific costs that were born completely from responding to coronavirus, such as acquiring or rehabilitating a building to create safe spaces for individuals to quarantine or isolate.

Indirect effects look more broadly at the overall impact that coronavirus has had on the local economic and housing markets. This could include providing short-term rental assistance to households that were adversely impacted by COVID-19.

Examples of eligible activities include items such as acquisition of real property, economic development, housing related activities, microenterprise assistance, public facility improvements, or public services. This is not an exhaustive list, of course, of the eligible activities that you could perform. And of course, as a reminder, costs still must comply with the CDBG program and the flexibilities and alternative requirements included in the CDBG-CV notice.

Let's talk through some of the changes to specific activity types. First, emergency payments. Given the profound and lasting impact the coronavirus has had on communities across the country, HUD has extended the period of emergency payments from three to six consecutive months. This will allow grantees to more holistically assist individuals and households that were impacted by COVID-19.

Emergency payments can include a range of activities such as assistance for food, clothing, housing, or utility cost. All payments are to be made directly to the provider of a service, such as the landlord or the utility company, on behalf of the family and not made directly to the individual or family.

For economic development, this notice removes the aggregate public benefit test requirement and changes the individual benefit test. As you'll see on the screen, the cost per job has been raised from \$50,000 to \$85,000, and the activity providing good and services has been raised from \$1,000 to \$1,700 for LMI residents.

And assistance due to business disruption related to coronavirus has been added. And we'll note that there is not a monetary threshold that is tied to that because HUD has determined that its impact alone is enough. Next slide, please.

Additionally, HUD has provided more flexibility to the regulations of 570.204 to allow any nonprofit to use financial mechanisms to pass funding to other entities for community economic development projects. This will allow grantees to quickly fill financing gaps that cannot be met by other sources and launch economic development projects, particularly in opportunity zones.

Finally, as a reminder, all economic development projects, except for microenterprise assistance, must be evaluated and undergo a financial underwriting. Grantees can use Appendix A of Part 70 or their own format or structure for basic financial underwriting and evaluation.

For the public service cap, it has been waived. This holds for formula grants as well only for those activities associated with coronavirus, and that is for 2019 and for 2020.

Marion McFadden: Thank you so much, James, for that recap.

Next, we're going to talk about other program requirements and flexibilities, and let me turn it over to you, Jessie.

Jessie Handforth Kome: All righty. Other program requirements and flexibilities. That sounds promising, doesn't it?

So we're going to be talking about responsible use of CARES Act funds, planning and admin costs, program income, states acting directly, environmental reviews, Section 108, period of performance and timeliness, reporting, and then the piece de resistance, the duplication of benefits, which you're all waiting for with bated breath; right?

All right. So responsible use of CARES Act funds. Like formula CDBG grant funds, grants CDBG-CV funds are subject to review and monitoring by HUD staff. In addition, CDBG-CV funds are going to require additional quarterly reporting requirements as well as ensuring that duplications of benefit don't occur. We will describe both of those requirements in a little more detail as we go through this presentation.

So on planning and admin costs, for CDBG-CV grants the planning and admin, it's not up to -- the limitation for entitlement grantees doesn't change and it remains at up to 20 percent of the grant may be used for planning and administration. It is being calculated separately, and it's 20 percent of the CDBG-CV grant and up to for that.

For state CDBG-CV grantees, the notice does make several changes if your state's requested some waivers, and we eliminated the state administrative match requirement, increased the state general admin and TA allocation within the 20 percent to 7 percent. So it's broken up to 5 percent for general administration and 2 percent for TA, which leaves at least 13 percent that could be made available to units of general local government, UGLG, for general administration or technical assistance or planning. So that's basically how planning and admin has gotten broken up.

For program income, can we go ahead?

CDBG-CV program income is going to be program income to the formula CDBG program income upon receipt. And remember program income isn't program income until it bumps into a grantee or subrecipient; right? So CDBG program income is treated as formula CDBG program income on receipt.

Those of you who participated in the neighborhood stabilization program know -- and -- or in CDBG-DR know that we have given the option of it staying with the supplemental or going to the main programs. But in this case it just goes straight to the main program, and this means that it won't get in the way when you need to make draws. So you'll be able to -- it will help you meet the three-year expenditure -- 80 percent expenditure deadline which we're going to be talking about.

CDBG-CV program income should follow the same protocols and processes for receiving CDBG program income and the way you would do it in 90-IF [ph]. And grantees may permit their subrecipients to retain program income if the amount doesn't exceed the subrecipient's projected cash needs for CDBG activity, including those that may be related to the coronavirus. Okay.

Marion McFadden: Thanks, Jessie.

Jessie Handforth Kome: Yeah. Next slide. There you go.

Marion McFadden: Next, we're going to go to states acting directly, and let's turn to James Hoemann who's HUD's greatest expert on state action under CDBG.

James Hoemann: Okay. So regarding states acting directly, within the notice there are several flexibilities and alternative requirements granted to states. Most importantly, states may use CV funds to directly carry out activities in all areas of the state. This includes carrying out activities in entitlement areas as well as non-entitlement areas. These activities must be consistent with the entitlement program requirements.

Now, as Jessie had mentioned previously, the planning and admin cap that is within the state CDBG program has been changed under this notice as the state match has been eliminated. We have kept intact the 20 percent overall planning and admin cap. As far as the state planning and admin itself, it is set at 7 percent, which is made up of 5 percent for general admin use and 2 percent for technical assistance, leaving 13 percent as the remainder to be used for units of general local government.

States cannot use all CV funds for direct activities and must set aside a portion no less than the first CDBG-CV allocation that they received for exclusive use of non-entitlement units of general local government. States must publish the method of distribution for activities that will be carried out directly in the action plan or a substantial amendment.

States are able to use the upper quartile or exception criteria in applicable entitlement areas. And as a state proposes carrying out an activity in a tribal area, it must receive prior consent from the Indian tribe.

For Section 108, when calculating the borrowing capacity of a grantee under the Section 108 program, CDBG-CV funds are not factored into that determination. Grantees may use CDBG-CV to make a direct payment on a component of the Section 108 loan only if the use of the funds is to prevent, prepare for, and respond to coronavirus. This should be documented by the grantee or subrecipient that provided the assistance. Next slide, please.

For environmental review all grantees must continue to comply with existing environmental rules and regulations, and funds cannot be committed until the environmental compliance review process has been successfully completed. With this in mind, it is critical that grantees complete any environmental requirements as soon as possible.

Part 58 includes two emergency environmental review provisions that may be relevant. The first provides an exemption for certain activities undertaken in response to a national or locally declared public health emergency. Except for the applicable requirements of 24 CFR 58.6 and documenting compliance with the six conditions listed in the notice at Section II.B.1, a responsible entity does not have to comply with the requirements of Part 58 or undertake any environmental review, consultation, or other action under NEPA.

The other provisions of law or authority cited in 24 CFR 58.5 for exempt activities are projects consisting solely of exempt activities.

The second streamlines the public notice and comment period for emergency activities. HUD assisted COVID-19 related projects review through September 30th, 2020 can comply with Section 106 through a notification and seven-day comment period for state and tribal historic preservation officers instead of the usual 30-day consultation and concurrence process.

The advisory council on historic preservation may further extend the emergency consultation period if necessary. And HUD has published guidance for environmental reviews for activities taken in response for COVID-19 available at the link on the screen.

Marion McFadden: Thank you so much, James. Now, let's take a couple of moments to talk about period of performance, timeliness, and closeout, and then we'll move on to reporting.

CDBG-CV funds have several new requirements associated with the period of performance, timeliness, and closeout, as you've already heard. So, first, given the urgency of addressing the needs created by coronavirus, the period of performance is a six-year period. 80 percent of your CDBG-CV funds must be expended by the end of the third year of the period of performance. Grantees that don't meet that requirement are at risk of funds being recaptured. Of course, those are completely different from the requirements you have for your annual funds.

Given the shortened period of performance here and the fact that program income converts to formula CDBG funding, the timeliness compliance requirements are waived. However, all program income will be included in calculations for timeliness determinations for the formula CDBG program.

HUD is waiving the grant closeout requirements at 24 CFR 570.509 and instead requiring that closeout is done in accordance with 2 CFR 200.343. These requirements are limited to the CDBG-CV program. However, HUD has suspended corrective action, sanctions, and informal consultations for timeliness effective January 21st, 2020, given that grantees are operating under extenuating circumstances.

For reporting, CDBG-CV grants must meet two requirements. First, you must comply with the annual reporting requirements that are included in your CAPER. Second, grantees will be required to complete a quarterly reporting requirement as mandated by the CARES Act. That's the law that created the CDBG-CV funding.

This reporting will provide more specific details on activities, including amounts obligated and expended and details on project activities and subrecipients and contractors. HUD is still evaluating this quarterly reporting requirement and will provide you future guidance on how the quarterly reports should be prepared and submitted to HUD.

Okay. Now, it's time to talk about duplication of benefits. You heard Jessie joking a little bit about this topic because it tends to be one that can feel confusing to jurisdictions. It's a very important requirement. If you have administered a disaster recovery program through CDBG-DR or for FEMA, you're probably aware of the concept, but we're going to walk you through at a high level now with the understanding that additional guidance will be coming from HUD.

So what is duplication of benefits? Duplication of benefits, shorthanded as DOB, occurs when a person or an entity receives assistance for the same need or activity from multiple sources and the total amount of assistance provided exceeds the amount of need.

Let's think about this from a rental assistance example since I know a lot of jurisdictions are using CDBG-CV for rental assistance programs.

If an individual or family applies for rental assistance but they have also received rental assistance from another source, whether it's federal or not -- let's say for this example that it's their local house of worship -- it's the responsibility of you as the CDBG-CV grantee to ensure that the assistance that you're providing is not duplicated and that the individual is not getting double the rental assistance for a given month.

As grantees you're required to establish a set of policies and procedures for each program and activity to prevent duplication of benefits. Those procedures at a minimum must include the following. There's -- there must be a requirement that anyone who receives CDBG-CV assistance repay duplicative assistance if and when it occurs.

The procedures must establish a set of protocols to help make a determination of whether duplicate financial assistance has already been received by the individual or entity or is likely to be received if an individual or entity acts in a reasonable -- reasonably expected manner.

For the CDBG-DR grantees -- just a note -- the order of assistance is treated differently here with the CDBG-CV program. So do please pay attention to how you have different requirements. There is no order of assistance mandate like there is when you're stacking disaster recovery funds.

So as I said, HUD is going to continue to issue new guidance on this topic to help you understand and comply with the requirements. It will be very important for every single one of you to understand how to prevent duplication of benefits. So I'd encourage you all to absorb as much of the guidance as HUD offers to you.

To help with the process, you should maintain documentation of all of the other CARES Act assistance that is available to help determine potential risks of duplication with those federal

sources. HUD has created a table of federal resources that can be modified to reflect additional local assistance.

And finally, target your CDBG-CV resources where you know that there are existing gaps or areas of unmet need from other programs available in your community to ensure that you're providing unduplicated assistance.

Next, we're going to talk about the additional flexibilities and waivers granted from HUD for your existing fiscal year 2019 and your fiscal year 2020 annual CDBG grant funds.

In addition to the flexibilities for the CV program, there are several alternative requirements and flexibilities for grantees using fiscal year 2019 and fiscal year 2020 formula CDBG funds as long as you are using them to prevent, prepare for, or respond to the coronavirus. This includes the flexibilities related to the accelerated action plan process, flexibilities around national objectives, and eligible activities and some program requirements and, most importantly, as I just discussed, the duplication of benefits requirement.

You see multiple flexibilities listed here on the screen, and you can find them in Section IV.B.3 of the Federal Register Notice.

In addition to the flexibilities in this notice, HUD has issued additional flexibility with prior available waivers related to the CAPER and the consolidated plan and action plan. For the CAPER, grantees may request a submission extension from the standard 90 days to 180 days after the end of your program year.

For the consolidated plan and action plan, HUD is temporarily waiving the requirement that action plan activities must be consistent with the consolidated plan for when 2019 and 2020 annual CDBG funds are used to prevent, prepare for, or respond to coronavirus, in recognition of the fact that you've had to act quickly given the tremendous change in circumstances this year and your planning process has not had time to catch up.

Additionally, the waiver memo on April 1st, 2020 that HUD issued provided alternative requirements related to public hearings, reasonable notice, and the public comment period.

I imagine that the vast majority of you by this point have already found and reviewed the Federal Register Notice that was published. As a reminder, you're able to submit questions after today's webinar regarding the CDBG-CV program through the AAQ, and all HUD resources are being saved on the CDBG-CV site within the HUD Exchange.

We're going to do our best to answer your questions when we open it up for questions in just a moment but wanted to make sure you're aware that there is always the opportunity to ask HUD questions about CDBG-CV flexibilities, rules, and requirements by working with your local field office or by using the CDBG-CV ask a question link that you see in the middle of the slide here.

Jessie Handforth Kome: Hey, Marion. Just a quick one on the Federal Register Notice. The Federal Register Notice was actually published in the Federal Register on the 20th, and the website now also includes that document, the actual Federal Register version.

Marion McFadden: Terrific. Thank you, Jess.

So before we open it up for Q&A -- and I do encourage you to keep loading your questions into the chat -- wanted to give you a quick highlight of those additional resources that we've been promising.

So I mentioned the CDBG-CV ask a question, the AAQ. HUD has resources to provide CDBG-CV technical assistance on call. There are webinars scheduled, including the launch of CDBG-CV, duplication of benefits, economic development models, housing models, national objective compliance, state CDBG-CV implementation, and then we're going to see quick guides on the use of CDBG-CV for broadband, a launch toolkit, duplication of benefits, economic development, financial management, public facility improvements with CDBG-CV, rental assistance, and, again, state CDBG-CV implementation.

So as promised, there is a lot in the queue that's coming along. So please ensure -- please understand that HUD is doing everything it can to ensure that you will feel supported as you take on your new responsibilities in administration of the funds.

With that, I'd like to ask for your questions and look forward to moderating a discussion with Jessie, James, and potentially other senior staff from HUD to take on your questions.

Okay. We've got questions flying in. First question, Jessie. This is from a grantee that's utilizing CDBG-CV funding for economic development in microenterprise. They'd like to do LMI national objective but wish to also provide economic assistance to businesses under urgent need for more reach. Is it okay to do that?

Jessie Handforth Kome: Yeah. If you were really paying attention during the urgent need part of the presentation and looking at the notice, you will see that, if you document that your activities - - all your activities prepare, prevent, and respond to coronavirus, all you have to do for an activity file in addition to that is to file the public health emergency declaration that you have in the file, and you will meet the urgent need national objective.

So you have that in your back pocket for every activity. What you need to do is figure out how you can get up to 70 percent low-mod benefit. So you're going to want to always try for low-mod, and if you can't make it, you have a backstop for anything that is pandemic response related. So we're trying to set you up for success so that you don't fail to meet a national objective.

Marion McFadden: Okay. Jessie, my next question certainly indicates that folks are metabolizing that duplication of benefits requirement.

Jessie Handforth Kome: Yeah.

Marion McFadden: The question here is, "Are we required to assure that CDBG-CV is the payor of last resort? We have other programs in the community with rent and mortgage assistance. Must we first refer our applicants to other programs?"

Jessie Handforth Kome: Great question. That's definitely somebody -- you've probably worked on CDBG-DR in the past. There is no order of assistance. So CDBG can go first, but you need to still make sure that there's no duplication of benefits. You need to figure out your need as best you can, and you can adjust it over time. And then you decide strategically who -- which program pays for what and when. And then have your policies and procedures and prevent any duplication. You don't want to pay for anything twice, to say it in sort of really totally lay person language. Just pay once.

Marion McFadden: Great. Thank you. So the next question is about differences for states and asking for a refresher. "How does the Federal Register Notice treat the 15-month funding obligation period for state grantees? Are there any differences between CDBG CARES Act funding and regular formula funds?"

Jessie Handforth Kome: We didn't mess with that, but if you wait 15 months, you're going to be in very serious trouble. You are going to have to move a lot faster than that. There are a couple places in the Federal Register Notice where we say that, if you rely on your historic -- you need to evaluate your historic allocation and fund distribution methods to determine if you can meet the three-year 80 percent requirement and move fast enough.

And so we didn't move that out of the way, but we're going to be enforcing the 80 percent expenditure one. So you need to manage that. You're responsible for the day-to-day administration of your grant. And overall, if we didn't say in the notice that we were moving something or changing something, it still stands in the reg or in the law.

Marion McFadden: Okay. Next question relates to rental assistance. "Since the landlord will receive the funding, we think the landlord should certify that they will pay the duplicated benefit, not the tenant. Is that okay?"

Jessie Handforth Kome: If that's part of your policies and procedures, I can't think why that wouldn't be okay. We require it of the grantee. We're not interested necessarily -- I mean, even if you made that requirement, if HUD saw a duplication of benefits, we would still ask the grantee for the money. How you have policies and procedures to protect yourself or to implement that, that's your business, but we're still going to go -- our only contract is the grant agreement. We go to the grantee.

Marion McFadden: Thank you, Jessie. Next question. "Can CDBG-CV funds be used as a match for FEMA grants?"

Jessie Handforth Kome: Yeah. It's eligible to use CDBG for match or cost share for any federal program that doesn't disallow it. So you basically have to ask both programs, but the activity still has to be CDBG eligible, meet a national objective, carry in our environmental responsibilities.

We are carrying -- you might have Section 3. You might have relocation. You might have -- definitely have environmental review. So you need to sit down and think about it up front to make sure the two will work together, but it is done a lot.

Marion McFadden: So with regard to urgent need, Jessie, can a state do new construction activities, so build from the ground up?

Jessie Handforth Kome: No.

Marion McFadden: So, for example, if a state determines that it needs a food bank to better serve people who've been --

Jessie Handforth Kome: No.

Marion McFadden: -- impacted by coronavirus or it needs to build a larger homeless shelter to accommodate better social distancing, are those types of new construction activities allowable?

Jessie Handforth Kome: No. We didn't rule out any eligible activity. My caution on something like that -- I'm saying no to new construction of housing, by the way. We didn't waive that.

The problem is that the average construction activity run by a state, major construction, takes about four years to complete from grant award to when we see the final payment go out, and you don't have that kind of time. So think about grabbing some other building and doing a rapid retrofit or something like that, but, I mean, you have a time constraint here. And, honestly, the pandemic is giving us a time constraint in the real world totally aside from grant requirements.

But to hit the three-year, 80 percent expended deadline, you need to pick your activities so they prepare, prevent, respond to the pandemic. If you can also meet long-term objectives, totally great, but you got to hit the marks for the pandemic, the coronavirus response first.

Marion McFadden: This next question is definitely coming in from an economic development expert. So I'm going to have to ask you to answer the question but to first maybe explain it for folks who are not as deep in economic development.

"Are there changes or clarifications on documenting LMI status for microenterprises for grantees wanting to use LMCMC to deliver grant assistance?"

Jessie Handforth Kome: We didn't make any changes that I know of, but on this one I'm going to throw James under the bus. James, microenterprises? Got anything here? I'm calling my lifeline.

James Hoemann: So lifeline.

Marion McFadden: I can repeat the question, if it's helpful, James.

James Hoemann: No. I got it.

On this, no. We haven't done anything on this, but, I mean, the documentation is still fairly easy. I think one of the slides we had back that I covered on economic development mentioned that the actual coronavirus itself was enough to document it. So if we're looking at it from a public benefit standpoint, depending on what your national objective is, that will determine what your documentation is going to be, of course.

Jessie Handforth Kome: But -- and just for lay people, microenterprises have five or fewer employees and it's a very economic development-like activity but it's not caught in some of the economic development requirement. And they were asking about trying to use LMC, which is limited clientele, and there's a special code and that's what you said, LMCMC, for when you're doing limited clientele related to microenterprise.

We didn't change anything in that area. We think it will work. If you have a microenterprise activity where it won't work, absolutely write in and let us know or contact your field office. We'll try to work that through. We're getting -- increasingly getting microenterprise questions. They've been just ramping up the last couple of weeks. We didn't really see them as much before.

Marion McFadden: Thank you both. This next question is related to the waivers that have been issued. "Will grantees need to submit a request or notification to use the waivers that have been made available, or is there an assumption already that a grantee can use applicable waivers as long as they document the waiver use in the files?"

Jessie Handforth Kome: Grantees can use the applicable waivers now that the notice is out. The reason we're getting this question, I think, is because we had put out what's called a mega waiver, which is a form of a blanket waiver, that -- and HUD isn't actually allowed to do completely blanket waivers. And so grantees had to come in for that memo and say they wanted to apply it and let their field office know because we had to do it case by case. It's just part of the rules.

But when we go all the way up to the Federal Register, those are waivers you can just run with. If you're going to take advantage of any extensions, it's definitely a good idea to write it into the narrative in your activity or let your field rep know just so you have that constant communication going with your field rep and you stay inside the -- you stay on the train tracks and they help you do the best program design that you can so you'll be compliant.

Marion McFadden: And that way you can ensure that your file tells the story --

Jessie Handforth Kome: Yeah.

Marion McFadden: -- of the available authorities you used so that, if there is a monitoring later by HUD staff, by the OIG, or who knows who, it's very clear why you had that flexibility.

Jessie Handforth Kome: Right.

Marion McFadden: Okay. Speaking of flexibilities, you extended the period of time when grantees can provide emergency payments from three months to six months.

Jessie Handforth Kome: Yeah.

Marion McFadden: "When is the six-month extension for emergency payments in effect?"

Jessie Handforth Kome: Well, it was in effect on August 7th when the waiver went in place, but remember you can reimburse yourself back to January 21st. So there might be some tricky environmental things if you try to navigate the space between the allocations on April 2nd and -- or when you announced your local program but -- and the August 7th date. But most places didn't see -- because of the eviction moratorium and for other reasons related to when the public health emergency got declared locally, most problems didn't really start queuing up until after March.

So there's some room. The reimbursement waiver that the CARES Act made gives -- provides some room. Pre-award costs are -- the regular pre-award provisions are on the table and discussed in the notice for the FY '19 and '20 CDBG-CV funds -- CDBG funds that are used for coronavirus.

So I think that there are multiple ways to thread it and it's sort of hard to answer the six-month but the waiver was actually made and the alternative requirement placed on August 7th.

Marion McFadden: Okay. Thank you. While we're talking about emergency payments, also there's a question in the queue, "Can broadband payments be considered utility assistance and therefore paid on behalf of an individual for up to six months?"

Jessie Handforth Kome: So in the name of the eligible activity is emergency payment. So if you want to go include that in emergency payment, you can define what's in emergency payment to meet the public service that you have defined.

So if your definition is an emergency payment to handle rent or housing payments so people won't be evicted, then that's what you're paying for in your public service. If your public service is to meet the pandemic related needs of households who suddenly have -- became unemployed, then maybe you are covering internet costs or other costs.

It's also possible to just say, look, you have children or seniors in your household that need to stay inside or be connected to school or -- and to just run a broadband access public service. That's also a possibility. So it doesn't have to be done inside of emergency payments.

Public services gives the CDBG grantees some room for defining what service it is you're providing, and when you know what the service is you're providing, then equipment and cost of activities, delivery cost for that service, that's what's eligible.

Marion McFadden: And HUD has or will soon issue a quick guide on broadband. So that will be another resource to take a look at.

Jessie Handforth Kome: Right.

Marion McFadden: It would be helpful to see this in writing.

Jessie Handforth Kome: And if you have connections with EDA [inaudible], they're also very interested in broadband issue, and I think they're going to be coming or maybe already have some information out about their resources.

Marion McFadden: Okay. Next question. This relates to the use of annual funds for fiscal year '19 or '20 for CDBG-CV related activities -- or sorry -- for coronavirus related activities.

"Do CV requirements such as the LMI location presumption and jobs created rules apply to regular CDBG if the activity is responding to COVID-19?"

Jessie Handforth Kome: There's a list at the end of the notice about which provisions of the notice apply to FY '19 and '20 and which ones don't. Also, we have posted the FAQs for the notice, and it extracts those lists. They're the last two questions, the things that do apply and the things that don't apply [inaudible] to the FY '19 and '20 grants. So you can see the list, and it will give you the notice citation and just jump right to it.

Marion McFadden: Thank you. Lots of questions in here about rental assistance. Clearly, this is one for communities.

"If a family previously received three months of assistance before the new waiver was issued, can the grantee go back and assist these families to give them three additional months of rent or mortgage and utility assistance?"

Jessie Handforth Kome: It does say six consecutive months. So the answer is that you are -- it is allowable to give them six consecutive months. We haven't put anything out about timeframes going backwards or forwards, but we do urge you to think really hard about necessary and reasonable costs.

You have a one-time block of six months that you can pay for a household and figure out a way to help that household get on its feet in the meantime so it doesn't immediately default when that block's over. Figure out what other resources you can bring to bear. There's ESG for a lot of very low-income households. There's the treasury funds. There are other funds. There's philanthropic funds. Really start looking. Don't leave people hanging.

CDBG is not a housing program, per se; right? So you get this one-time block. But yes. If you only -- if you've done three, you can still -- you can go up to six as long as you don't reach back past that January 21st. And we'll help you.

Marion McFadden: Okay. I think you may have answered this question already when you were talking about the rental assistance context, but let me just ask it to make sure. This is also about internet.

"Given that many schools and libraries are still closed and students have to learn remotely, is internet service an eligible utility that we can pay for?"

Jessie Handforth Kome: It doesn't have to be a utility. People keep going back to calling it a utility, but paying utilities is not the name of a CDBG activity. You can -- you have a public service where you want to connect people to the internet -- students to the internet. That's your public service, and you can pay the costs to do that.

If you do it and you're paying a provider on their behalf, that's typically seen in CDBG land as an emergency payment, but it can also be done because paying the broadband could be a public service. We haven't defined that as a utility.

Marion McFadden: Terrific. Thank you. We'll take a pause to see if there are additional questions.

Jessie Handforth Kome: Speaking of utilities, can I get in my public utility answer from the previous webinar?

Marion McFadden: Please do.

Jessie Handforth Kome: I did all this research. So we got asked a lot about whether [inaudible] could pay utilities if they owned the utility locally, if it was a municipal -- municipally owned utility and not just a regulated utility. And we do have some concerns about that, but there is a way to do it. And everybody else close your ears, but financial analysts will understand this.

So the utility has to have its own separate enterprise fund and account. It needs to have the utility payments based on the actual costs and the rates set based on the cost of delivering the utility and not based on an overage that goes to the local government for some other purpose. And it needs to only make payments to the local government for shared services like maybe rent for a building or making their payroll payments or something like that if they have an approved cost rate for that that was built up based on actual costs.

So it's a very financial answer, but it is possible. Just be aware that auditors will probably follow that through. It's an activity that can be risky if the utility is any -- and a lot of utilities are in kind of financial difficulties right now.

You will want to look for duplication of benefits as well because many, many, many utilities have business interruption insurance which may or may not have been paid by the insurance companies yet. So you need to make sure you're looking for possible other sources for paying, but it is -- there are cases where this will be possible.

And now, you can stop covering your ears, those of you who are not financial analysts.

Marion McFadden: So, Jessie, one question that comes to mind as, again, we invite current participants to go ahead and put your questions in. Otherwise, we will wrap soon, if we don't hear more questions from the audience.

But one question that came up on the last webinar was about sort of arms' length questions in terms of whether the grantee could use CDBG-CV to pay utility costs where they own the utility, where they're the utility provider. Is there anything you can share with us about that?

Jessie Handforth Kome: Well, that's what I was just talking about; right? You've got to have that enterprise fund, the calculated payment rate, the charge rate to the customer, and only pay anything back to the jurisdiction itself to -- based on a set cost allocation, indirect cost allocation rate that's built up only out of the actual cost of the shared service.

We're working on a Q&A on that, but it may take a little while. It's very technical.

You have any more questions? There's a crew working behind the scenes sorting questions out too. So is there anything else?

Marion McFadden: Okay. I see some additional questions that have come in. Yes. Thank you, everybody.

James Hoemann: If I could just mention something real quick, Marion, that Jessie had talked about, at the back of the published version of the notice on August 20th, Jessie had talked about a list of what is applicable to '19 and '20 and what is not applicable.

The question that was regarding the location-based presumption of LMI, that is applicable to '19 and '20, but that list -- just want to specifically mention that that is for coronavirus-related activities when you're using '19 and '20. And that list has that on there, and then the ones that do not apply are more specific itself to CV funds.

Jessie Handforth Kome: Right. Thanks.

Marion McFadden: And, James, while we have you, a question about the state CDBG funds.

"Could you say a little bit more about when state CDBG funds are used within an entitlement by a state that it would be -- it's going to be subject to certain entitlement regulations?" Can you say anything more about that, knowing that there is going to be additional guidance coming on state implementation?

James Hoemann: Sure. I think maybe one of the talking points might have been -- what I was using might not have been very clear and regarding too when a state acts directly. So let me just -- if I could just read directly from the notice itself. This is on page 51469.

It says, "A state may carry out eligible activities directly consistent with the entitlement program requirements at 24 CFR 570.200(f) through its employees, through procurement contracts, or through assistance provided under agreements with subrecipients."

So if a state is acting directly, of course it's a function that is fundamentally different than it is designed underneath the statute and within the regulations that provides them with a bumper with

that. I think that may have been a source of confusion in terms of what I was saying, but there is also other sections in here in the notice.

The other piece that may have caused a little bit of confusion is the upper quartile or exception criteria for LMI area benefits. That is in Section 3(b)(6)(b)(4) [ph] that is applicable to that. If you haven't worked with upper quartile entitlement grantees before, the best way I could say it is that they would be otherwise ineligible in the grand scheme of things.

So there's not too much of a difference, but there is that requirement when they do act directly. And we're shooting for the 9th, I believe -- September 9th to have a states acting directly webinar that will be coming up soon that will cover a little more detail in terms of what applies and what does not apply to a state when they act directly.

Marion McFadden: Thank you so much for clarifying.

The next question relates to admin fees. "Does the CV admin fee expense have to be 100 percent COVID-related?"

Jessie Handforth Kome: The answer is yes. And we offer in the notice a way to allocate costs, if you have somebody who's working on both regular CDBG -- annual CDBG and CDBG-CV. You need to find a way to just allocate the cost proportional to the work in a standard kind of cost allocation way.

CDBG allows -- entitlement reg speak on this, and it's pretty basic Financial Management 101 to sort these things out. Just write down your basis in the file and keep track of the charges, and check it every once in a while to make sure you were right and that's how the work is still running.

But the CARES Act -- excuse me. I dropped something on my foot. The CARES Act says that the funds are solely to prepare, prevent, and respond to coronavirus. So they have to support the CARES Act activities the admin funds from the grant. And the notice says it both ways. CDBG also can't pay for CV admin. So you just need to do a cost allocation plan, if you have people working both.

Marion McFadden: Okay. Back to emergency payments, a topic we need to keep coming back to.

Jessie Handforth Kome: Yeah.

Marion McFadden: "Are fiscal year '19 and fiscal year '20 CDBG grantees able to take advantage of the six-month extension, or is that only for CDBG-CV?"

Jessie Handforth Kome: I think it's on a list of both. James, do you still have the notice in front of you?

James Hoemann: Yeah. This is -- it is on the list. So as long as they are -- as long as it's a coronavirus-related expenditure, they could apply the six-month to their regular '19 and '20.

Marion McFadden: Great. Thank you, James.

The next question is, "Are cities allowed to assist households irrespective of whether the household was directly affected already by COVID-19 in order to prevent the spread of COVID-19?" The question is specifically for money that was granted to cities from HUD, not passed through the states.

Jessie Handforth Kome: We're all pretty much directly affected by COVID-19, but if they're asking does the household have to have a case, an actual person who is or has been infected, no. We didn't say that. It's prepare for, prevent, and respond. So you have all of those avenues open. A lot of what we're doing around households is to prevent a greater community infection. So no. You don't have to nail it down to a case in the household.

If you do want to design an activity that way to deal with people who have been really affected in that way, you could, but it's not required.

Marion McFadden: All right. Clarifying question from a grantee. "Can we reprogram our regular fiscal year '19 and fiscal year '20 funds to be used for COVID activities and then not be subject to the public service cap of 15 percent?"

Jessie Handforth Kome: The activities that are not COVID-related, that are not prepare, prevent, respond are still covered by the 15 percent cap. The activities that do prepare, prevent, respond are released from the 15 percent cap, and you're going to want to put it in 90-IF and in your action plan and be really clear which is on which line.

Almost nobody has not expended some of their '19 grant; right? So you just want to be super clear how you set it up, but yes. You can reprogram. You can do a substantial amendment, and the notice describes how to do that.

Marion McFadden: Our next question relates to program income. "Can CDBG-CV funds be spent before program income? For example, with approval from HUD, our jurisdiction transferred program income from NSP into our CDBG program income. Will this program income need to be spent before we can spend our CDBG-CV funding?"

Jessie Handforth Kome: What the notice does is make it so that there is no CDBG-CV program income. There isn't -- there can't be any. All income generated from CDBG-CV assisted activities will flow to the main program, to your regular CDBG annual formula grant just like any CDBG program income.

So you will have to use that program income before you touch your regular formula grant, but it won't affect CDBG-CV. You can just go. That CDBG-CV grant will never have program income that is CDBG-CV program income. It will only have program income that is CDBG program income.

Marion McFadden: Thank you for clarifying.

Jessie Handforth Kome: Yeah. I hope that's clarified.

Marion McFadden: Hope so too. So there will be -- again, additional guidance is forthcoming.

Jessie Handforth Kome: Yeas.

Marion McFadden: So don't worry if you don't get it the first time, folks.

"For broadband, if LMA national objective is used, do we need to provide additional information other than census or survey, or do we have to collect information on every single household that's actually taking advantage and hooking up to the broadband?"

Jessie Handforth Kome: Not enough information in the question. I don't know if we're talking about a broadband construction activity or if we're talking about you trying to do LMA for a public service, which isn't really going to work in this kind of case unless you are -- here's an example; right?

So if you rent that truck that's usually at the concert venues but we're not having concerts right now and you go park it in the middle of a low-mod neighborhood and give everybody Wi-Fi, then you can do area benefit, and you can meet your three-year deadline too. If you are talking about trying to build a broadband line or bring line in in time to help with, say, the school year, hard to see.

If you are talking about buying a laptop so that every school-aged child who doesn't have one that's low and moderate income can get online school, then you need to look at that student's income. That's not an area benefit thing.

So -- and you can just use income certifications. We don't have to do this the hard way. The CDBG reg allows for the family to just sign an income certification, verifiable, and you just verify a sample. It is also possible to say you're going to do that in public housing, for example, for public housing residents and go with limited clientele, so based on nature and location.

So there are a lot of options open that are very streamlined, but don't use LMA where it doesn't fit. James, do you have anything else on that?

James Hoemann: No. I mean, other than just making sure that your activity actually fits what the national objective is. I think it's a little -- we're looking at broadband. The area is usually going to be used for your trunk lines, and if we're actually talking about hooking up houses, then that's going to be done as housing rehab. So those are two separate national objectives for us --

Jessie Handforth Kome: True.

James Hoemann: -- when we're looking at doing that. But the example you gave of using a broadband truck that actually broadcasts to the neighborhood, not only is that an efficient way to expend funds, but you could actually just go ahead and either do the survey or look at the area itself in terms of the recipients. I think it's important [inaudible].

Jessie Handforth Kome: [inaudible]. Yeah.

James Hoemann: Yeah. I think it's important not to get too mired down in a long-term project. As a reminder, I mean, we have a 80 percent expended at three years requirement, and I think being a little realistic in terms of what you can build. If you're talking about doing vertical builds on food banks and some of the other questions that we've gotten, be mindful of that 80 percent expended. Be mindful of having that documentation of the purpose of the CARES Act as well.

Marion McFadden: Okay. Back to duplication of benefits for a couple of questions.

The first, "Where on HUD.gov or the HUD Exchange can the DOB table that you've compiled be accessed?"

Jessie Handforth Kome: I think it's on both. It's hosted -- there's a -- it went out in a three-piece group of documents, the memorandum which was signed by and authored by HUD. And the chart that we put together and the CDBG program are hosted on HUD.gov. The table [inaudible] provide us -- thank you Patrick and Marion -- helped put together of all the other programs all over the CARES Act is hosted on HUD Exchange. But if you go to either place, you can get all three documents seamlessly because we've cross-linked them.

So HUD.gov, there's a CDBG COVID page. It just leads straight from the top level of HUD.gov. COVID-19 comes up in a banner, goes straight through, and look for CDBG grantees and find our page, or on HUD Exchange I think it's also in a banner or you can just search for DOB and get there with CDBG-CV. You don't want to look at the DR DOB, and you can get there as well.

So we're trying to make it as easy as possible. We know people search both sites.

Marion McFadden: Great. Thank you.

"What kind of enforcement options do jurisdictions use that are acceptable to HUD for getting duplicated benefits repaid?"

Jessie Handforth Kome: Well, written agreements are -- of some form are very important. If you are paying something and you suspect that someone is going to get a payment later -- we're seeing this in [inaudible] business assistance where they're trying to get their business interruption payment for insurance -- grantees are having the businesses sign something called a subrogation agreement, which Marion can probably explain better than me.

So -- but written agreements are gold standard that just specifically lay out what the beneficiary is committing to do to pay you if they get any other funds from any other source. You want to explain subrogation to me?

Marion McFadden: I feel like you just did, and if I put on my lawyer hat, we'll lose folks; right? So it's just the point that Jessie just made, which is making sure that there is a legal obligation that whoever you're giving the money to knows they have to pay you back if they get another source of funding that covers the same source.

Jessie Handforth Kome: For what it's worth, back in the day Marion's the one who trained me on this. So I defer.

Marion McFadden: Fifteen years of disaster recovery in many forms and still counting.

So we're about to wrap up but just a couple of last questions.

"How should jurisdictions submit their requests for their CAPER extensions? Is there a form that they need to use in communicating with their local field office?"

Jessie Handforth Kome: No. James, did we put the CAPER extension in the notice because I think it's automatic at this point? [inaudible] later extension, they can write the field office. There's no form.

James Hoemann: Right. Yeah. We actually wrapped in the CAPER extension that was given back on May 7th to extend it from 90 to 180 days since that's for across the portfolio. If you need anything beyond that, then we would be following the regulation where you would contact your field office and go through the process of explaining why the extension is needed.

Jessie Handforth Kome: Yeah. We need good cause. I mean, the CAPER's pretty important, but we know that there's still some places struggling with getting completely online and finding their records and all that.

Marion McFadden: Okay. I'll hit you with a couple of last quick questions that are here.

"Can emergency payments be used to cover back rent?"

Jessie Handforth Kome: Arrearages. We're working on a Q&A on that. There are circumstances where the answer would be yes, but, again, we just want to caution you that we need you to document that it's a necessary and reasonable cost, that it's a good housing policy, and that you have a reason for doing it; right?

Every activity has a definition. Paying arrearages isn't the name of an eligible activity. An emergency payment to do something -- public service; right? You have to define what your something is.

Marion McFadden: Okay. "When does the six-year period of performance begin?"

Jessie Handforth Kome: It's block four in your grant agreement form. It's basically the day HUD signed your grant agreement.

Marion McFadden: And finally, Jessie, "Do we set up CDBG-CV activities in IDIS the same way as regular CDBG?"

Jessie Handforth Kome: Yes. You do but there's a little radio button or some kind of indicator that the activity is CV-related and you'd definitely, definitely want to set it up. I believe we already have the instructions out; is that true, James or Robert? Is Robert around?

Robert: Yeah. You'll see it on the activities on that screen.

Jessie Handforth Kome: Thank you, Robert. So do we have any instructions out for that about the setup screen?

Robert: I don't believe we've modified the instructions yet, but it's pretty [inaudible] fill them. It's a straightforward question, whether the activity is in response to coronavirus.

Jessie Handforth Kome: Great. And you definitely want to answer that yes for FY '19 and FY '20 activities, if you want to take advantage of the public service cap waiver, for example.

Marion McFadden: Okay. I'd like to say a big thank you to you, Jessie and James and Janet, for your work to get these grants out the door and to support the grantees, as well as to your teams. We know how much hard work goes into making these funds available and appreciate you doing so much to support this work with more than 1250 jurisdictions around the country receiving the funding. Ad thank you to everyone for joining us today.

Jessie Handforth Kome: Thank you, Marion. And I want to thank all the grantees too. Just amazing work so far. Very impressive. Very glad to be working with you on this.

Chantel Key: And as a reminder today, all of the training materials used for the webinar today will be posted on the HUD Exchange. That includes the recording, PowerPoint, and the transcripts. That concludes our webinar for today. Thank you for attending.

(END)