



CDBG/CDBG-CV

***HUD, Office of Block Grant Assistance
Entitlement Communities Division***



PUBLIC SERVICES



ELIGIBLE PUBLIC SERVICE ACTIVITIES

- Wide range of public services possible
- Includes services related to:
 - Employment
 - Job training
 - Crime prevention/public safety
 - Child care
 - Health
 - Health services
 - Substance abuse services

ELIGIBLE PUBLIC SERVICE ACTIVITIES (CONT.)

- Also includes services related to:
 - Housing
 - Housing Counseling under 24 CFR 5.100
 - Fair Housing counseling
 - Energy conservation
 - Downpayment assistance
 - Services for homeless persons
 - Education
 - Welfare services
 - Services for seniors
 - Recreational services

PUBLIC SERVICE COSTS

- CDBG funds may pay for labor, supplies and materials.
- CDBG funds may pay for operations and maintenance of facility where public service occurs.
- Payments must be directly related to the provision of eligible public services.
 - Cannot just provide operational support to nonprofits
 - Must document costs

PUBLIC SERVICES RESTRICTIONS

- The service must be:
 - A *new service* OR
 - A *quantifiable increase* in the level of an existing service that has been provided by the grantee or another entity on its behalf with local gov't funding (or funding from the state to the local gov't) in the 12 months preceding Action Plan submission
 - Note: This restriction does not mean that a currently funded service organization needs to do more each year

PUBLIC SERVICES & RELIGIOUS ENTITIES

- Generally, funds may not be used for religious activities
 - For example, no religious events or requirements to pray before public service is provided
- However, eligible public services may be provided through a religious entity if formal agreement in place stipulating:
 - No discrimination (employment or participants)
 - No religious instruction or counseling

PUBLIC SERVICES & RELIGIOUS ENTITIES (CONT.)

- CDBG funds can be provided for minor repairs of facilities owned by religious entities that is used for public services if:
 - Repairs are directly related to public service activity.
 - Repairs cannot be made where worship services are held.
 - Cost is only an incidental portion of total CDBG \$ for public service activity.

PUBLIC SERVICES - CDBG-CV

Eligible activities include but are not limited to:

- Job training to expand the pool of health care workers available to treat disease within a community.
- Provide testing, diagnosis or other services at a fixed or mobile location.
- Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
- Provide equipment, supplies, and materials necessary to carry-out a public service (e.g., food for food banks).
- Deliver Meals on Wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.
- Pay hotel room costs for vulnerable populations (e.g., homeless).

CDBG-CV PUBLIC SERVICE EMERGENCY GRANT ASSISTANCE

- CDBG–CV funds may be used to provide emergency grant payments on behalf of individuals or families impacted by coronavirus for items such as food, housing (emergency rental assistance or mortgage assistance) or utilities for a period of up to six consecutive months. This is an eligible public service.
- HUD waived Section 105(a)(8) of the HCDA and 24 CFR 570.207(b)(4) to allow this assistance to be provided for six rather than three months.

CDBG-CV EMERGENCY GRANT ASSISTANCE (CONT.)

- CDBG-CV assistance for emergency grant payments must be provided directly to the service provider on behalf of individuals and families.
- This assistance provided must be necessary and reasonable in accordance with 2 CFR 200.403 and 200.404.
- CDBG-CV grantees must document in their policies and procedures the amount of assistance they consider as necessary and reasonable.

CDBG-CV - FOOD BANKS

- CDBG-CV funds may be provided to nonprofit subrecipients or local public agencies to operate food banks that distribute food to individuals and families.
- CDBG-CV funds may be used to purchase additional refrigerators/freezers to store additional food and the food that will be distributed to those impacted by the pandemic.
- Operating and maintenance costs of the food distribution centers are eligible.

CDBG-CV PUBLIC SERVICE ACTIVITIES

In accordance with April 30, 2021, CDBG-CV Tieback Flexibilities Guide, CDBG-CV grantees may:

- Carry out job training in communities or neighborhoods affected by coronavirus-related job loss since January 2020.
- Increase the capacity and availability of daycare or after-school services serving low/mod areas in which parents have dropped out of the workforce since January 2020.
- Provide equipment, supplies, and materials necessary to carry-out a public service related to the effects of the pandemic, or to enable resilience to the effects of coronavirus in the future, such as food banks, youth services, health care, WIFI, or senior services.

INELIGIBLE PUBLIC SERVICE ACTIVITIES

- Income payments ineligible
 - Except emergency grant payments
 - Not to exceed three consecutive months
 - Payments made directly to service provider
- No on-going operations as a stand alone public service
 - For example: operating rental housing
 - Different than paying to offer a service within the housing development, such as counseling
- Political activities ineligible

PUBLIC SERVICES CAP

- Annual **obligations** for public service activities may not exceed:
 - 15% of annual entitlement grant PLUS 15% of last year's program income
 - Calculated differently for States
- Exceptions
 - 1982/1983 grants
 - Assistance to microenterprises
 - Job training/placement/services with eligible economic development projects
 - Job training & placement by CBDO or 105(a)(15) organization
 - Services by CBDO/105(a)(15) under an approved Strategy Area (NRSA or CRSA)

CDBG-CV PUBLIC SERVICES CAP

- The CARES Act suspended the 15 percent public services cap for FY 2019 and FY 2020 CDBG funds and CDBG-CV funds used for public services to address coronavirus.
- This means that a grantee may use most or all of its CDBG-CV grant to provide public services to address the impacts of the coronavirus pandemic on its citizens.