

Co-Managing CDBG-CV and CDBG-DR

Friday, January 28, 2022 from 4:00-5:00 PM




CDBG
CARES Act

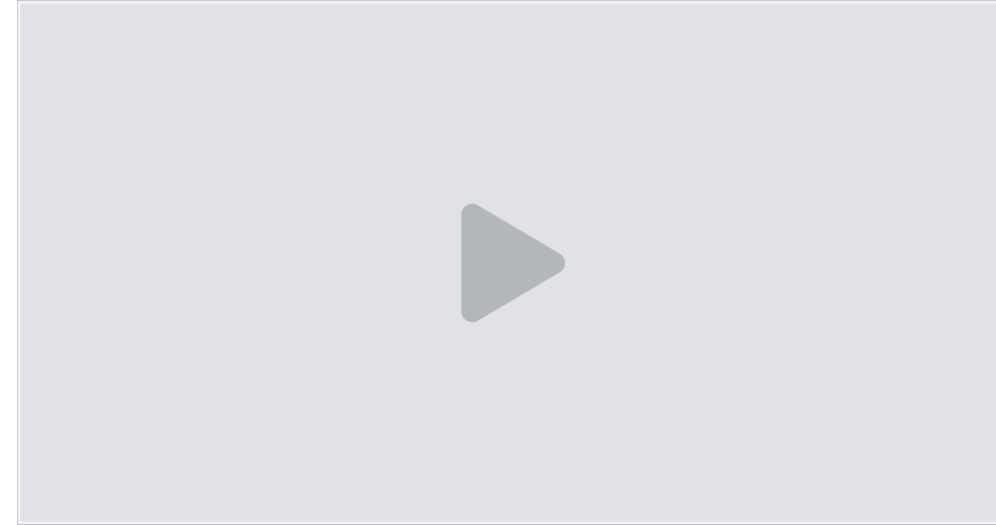


CARES Act



Housekeeping

- PowerPoint presentations and webinar recording will be available on HUD Exchange.
- Participants will be in 'listen only' mode.
- Closed captions can viewed using the “Show Captions” feature (below the video player). 
- Consult the Attendee Guide for more information (available on the “Resources” page of the event website).



Show Captions

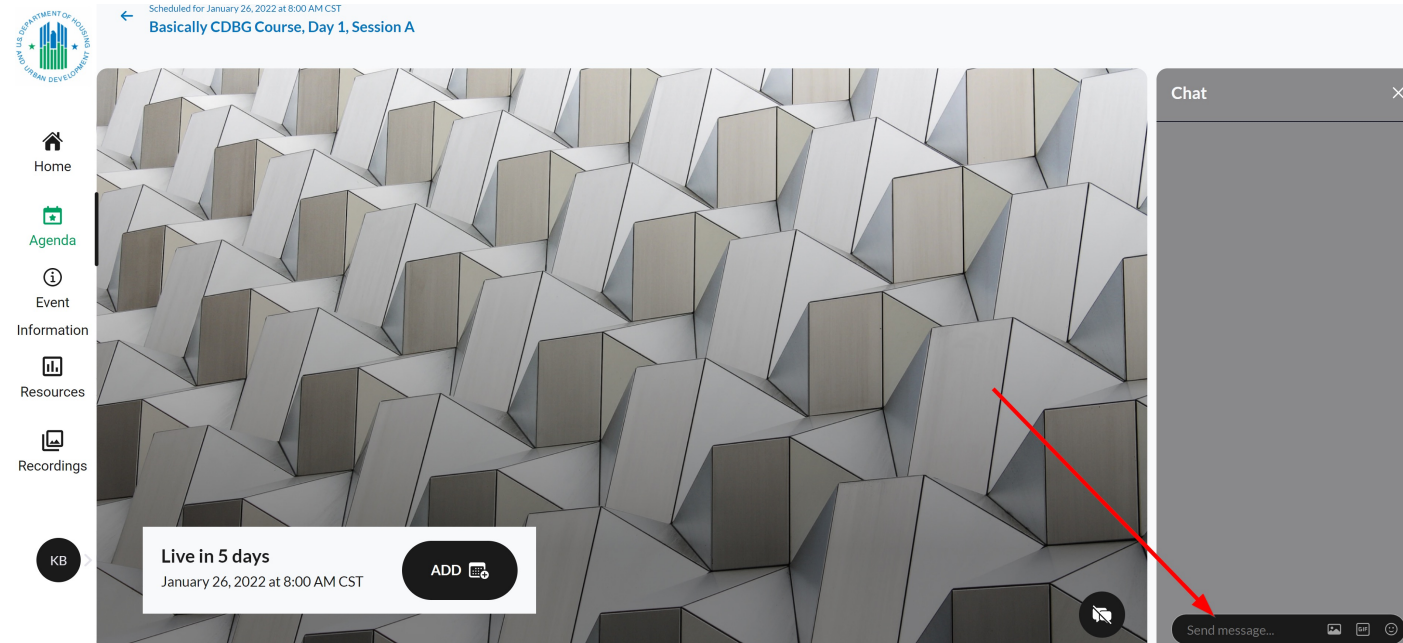
Questions

- Submit content-related questions using the “Q&A” feature (located below the video player – you may need to scroll down the web page to view the Q&A).
- You are encouraged to submit questions throughout the presentation. You do not need to wait until the end of the presentation to submit questions.
- Upvoting questions 👍

The screenshot displays a web interface for a presentation. At the top, there is a video player with a timestamp of 'January 27, 2022 at 0:00 AM CST'. Below the video player, there are two buttons: 'Show Captions' and 'English'. A red arrow points to the 'Q&A' tab in the navigation bar, which is highlighted. The navigation bar also includes 'Ideas' and 'Polls' tabs. Below the navigation bar, there is a section titled 'Ask the speaker' with a text input field containing the placeholder text 'Type your question'. To the right of the input field, there is a 'Send message...' button. The sidebar on the left contains navigation options: Home, Agenda, Event, Information, Resources, and Recordings. At the bottom of the sidebar, there is a 'KB' icon.

Chat

- For technical issues, request assistance through the Chat box on the right side of the screen
- Additionally, questions relating to technical issues can be emailed to:
EventSupport@sidemgroup.com



Co-Managing CDBG-CV and CDBG-DR

Friday, January 28, 2022 from 4:00-5:00 PM



CDBG
CARES Act



CARES Act



Introductions

Introductions

- Randall Mullen, Vice-President, TDA Consulting, Inc.
- Stan Fitterman, President, SFF Consulting Group

Overview

Why this Topic?

- Communities are recovering from disasters as well as responding to COVID-19
- HUD has awarded CDBG-DR and CDBG-CV funds
- Many grantees might want to co-manage both programs
- But how?

Agenda

- Program Similarities and Differences
- Typical Activities
- Opportunities
- Q & A
- Resources

Program Similarities and Differences

What are Similarities?

Based on CDBG

In response to an emergency

- Disaster (fires, hurricanes, flooding, etc.)
- Public health

National objectives must be met

Cross-cutting federal regulations apply

More Similarities

Duplication of Benefits Applies

- Total amount of assistance from any source cannot exceed the need; **HOWEVER** unlike CDBG-DR, CDBG-CV grantees **DO NOT** need to follow a statutory “Order of Assistance” for delivery of different federal and non-federal programs

Tieback

- CDBG-DR All activities must address an impact (direct or indirect) from the respective disaster in a Presidentially-declared area
- CDBG-CV All activities must prevent, prepare for, or respond to coronavirus

Waiver

- Federal Register Notices list waivers from regular CDBG requirements

What are Differences? CDBG-DR

Implement recovery program per needs assessment

- Respond to types/locations of needs resulting from disaster's direct or indirect impacts (most impacted and distressed areas), and
- Identify gaps in funding where CDBG-DR may be utilized (HUD recognizes needs may change over time)

Develop activities to address identified 'unmet needs' based on that assessment and public comments

Publish the plan (including needs assessment) and recovery activities for public comments

Submit Action Plan for funding to HUD

What are Differences? CDBG-CV

No needs assessment required

- Respond to coronavirus
- Identify planned activities for use of additional allocations

Expedite citizen participation procedures via 5-day comment period

Submit Substantial Amendment for funding to HUD

Typical Activities

How CDBG-DR Is Used?

CDBG Eligible Activities that Tieback to the Disaster for Which Funds were appropriated

- Housing Including Rehab and **New Construction (as per waiver)**
- Public Facilities and Improvements
- Public Services
- Special Economic Development Activities
- Administration
- Planning

How CDBG-DR Is Used? (Cont'd)

Federal Register Notices, governing CDBG-DR funds, generally require grantees to primarily address unmet housing needs.

CDBG-DR may also fund repair or reconstruction of public facilities and improvements, including features to increase resiliency.

A certain percentage of every grant must be expended for activities that benefit low- and moderate-income persons in the most impacted and distressed areas.

How CDBG-CV Is Used?

CDBG Eligible Activities that “Prevent, Prepare for and Respond to” the Pandemic

- Public Services
- Economic Development
- Housing-related Activities
- Public Improvements & Facilities
- Real Property Acquisition
- General Administration/Planning

How CDBG-CV Is Used? (Cont'd)

Certain activities can be carried out with added flexibility necessary to address nature and scope of pandemic.

Alternative requirements permit such flexibility for:

- Emergency Grant Payments
- Business Assistance
- Microenterprises

How Can CDBG-CV Be Used? (Cont'd)

Emergency Payments (under Public Services) *

- Emergency payments may include items such as food, clothing, housing (rent or mortgage) and utilities
- Payments must be made to the provider on behalf of the individual or family

CDBG Requirement	CDBG-CV Waiver
A series of payments for up to three consecutive months	A series of payments for up to six consecutive months

* Also, public services cap is waived

How Can CDBG-CV Be Used? (Cont'd)

Business Assistance

- Avoid job loss caused by business closures related to social distancing
 - Providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons
 - Retrofit place of business

Microenterprise Assistance

- Provide technical assistance, grants, loans, to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine

Opportunities

CDBG-DR Activities

First, To Address Unmet Housing Needs

Housing

- Rehab of damaged units but waiver also allows new construction
- Buyout programs

Public Facilities and Improvements

- Repair, reconstruction (including rebuild to become more resilient)

CDBG-CV Activities

To Address Homelessness

- Public Facilities
- Public Services

To Promote Economic Recovery

- Business assistance (loans/grants)
- Technical support and services (for businesses and microenterprises)
- Microenterprise assistance (both of the above)

CDBG-CV for Homelessness – Examples

Public Facilities

- Non-congregate Emergency Shelters
- Acquisition of hotels/motels to house people experiencing homelessness

Public services

- Temporary Hotel/Motel Sheltering Programs – especially for homeless who are medically fragile or highly vulnerable

Emergency payments prioritized for homeless or those ‘at risk’

- Recently exited from a HUD funded Rapid Rehousing (RR) program
- Currently in such housing or in HUD funded Permanent Supportive Housing (PSH) with inadequate rental assistance

CDBG-CV for Homelessness: California & King County WA

Moved homeless from Congregate Shelters to Single Occupancy Hotel Rooms

Initially paid for rooms, moved to financing purchase of hotels

Univ. of Washington study of King County program concluded that this Shelter De-intensification:

- Limited the spread of COVID-19 vs. those who stayed in congregate setting
- Resulted in higher exits to permanent housing from hotels than congregate stay
- Prompted indications of greater engagement with homeless housing services

CDBG-CV for Homelessness (Cont'd)

Public Services
Cap (15%)
Lifted

- Increase public service agency funding to increase number of rental assistance applicants that can be processed
- Broaden range of services to include Food Programs (distribution can include delivery)

CDBG-CV for Economic Recovery – Examples

Business Assistance, Services and Microenterprises

- Target Central Business Districts (CBDs)
- Expand goods and services to core
- Create incubators

CDBG-CV for Economic Recovery (Cont'd)

Location
Presumption of
LMI status for
job creation/
retention

- The higher poverty rate for Central Business Districts is removed
- Qualifying Census tracts must meet either the 70% LMI requirement or 20% Poverty Rate and evidence of poverty and general distress

CDBG-CV for Economic Recovery (Cont'd)

LMI Job
Creation/
Retention
income
documentation

- Individuals who fill created or retained jobs will be treated as a one-person family for purposes of income qualification
- Alternative Recordkeeping: Document job type and annual salary of position

CDBG-CV for Economic Recovery (Cont'd)

- Public Benefit Test **CDBG** vs **CDBG-CV**

Benefit Test Type	CDBG Requirement	CDBG-CV Requirement
Aggregate	<ol style="list-style-type: none"> 1. Cost/ FTE job does not exceed \$35,000 2. Activity provides goods or services to LMI residents where cost < \$350/resident 	N/A
Individual	<ol style="list-style-type: none"> 1. Cost/ FTE job does not exceed \$50,000 2. Activity provides goods or services to LMI residents where cost < \$1,000/ resident 	<ol style="list-style-type: none"> 1. Cost/ FTE job does not exceed \$85,000 2. Activity provides goods or services to LMI residents where cost < \$1,700/ resident 3. Aid due to Covid business disruption

CDBG-DR and CV Together

Why Fund Same Type of Activity with Both Grants?

- Needs changed between natural disaster and pandemic
- Conditions have evolved during pandemic
- Program design elements, policies and procedures are similar
- Staff capabilities exist for related features
- Duplication of benefit is manageable

CDBG-DR and -CV Together (Cont'd)

What Are Best Examples?

- Offer CDBG-CV funded emergency payments for rental assistance to address those 'at risk' of homelessness particularly CDBG-DR households
- Prioritize CDBG-DR funded/repaired developments to help ensure immediate viability of affordable developments
- Provide CDBG-CV funded emergency payments mortgage assistance to applicants receiving CDBG-DR funded repairs
- Expand CDBG-DR funded business working capital to include CDBG-CV funded rent payments
- Add CDBG-CV funded microenterprise technical assistance to existing CDBG-DR funded assistance program

CDBG-DR and -CV Together (Cont'd)

How to Maintain Compliance?

- DOB – To avoid, increase the size or scope of an existing CDBG-DR funded activity with CDBG-CV funds because the need has increased
- Supplanting – To prevent, do not reduce state or local funds for an activity specifically because federal funds are available (or expected to be available) to fund that same activity.

CDBG-DR and –CV Together: Puerto Rico

Responding to Coronavirus while still Recovering from Devastating Hurricanes

CDBG-DR funded Economic Revitalization and Recovery Program

- Gap funding for large-scale commercial and industrial development
- Includes development/redevelopment of commercial and mixed-use developments and infrastructure that supports economic investment

CDBG-CV funded Microenterprise Enterprise Assistance Program

- Focus on businesses that that provide medical, food delivery, cleaning, and other services to support home health and quarantine.
- Designed to complement larger scale DR funded activities

Question and Answer



Resources

Additional Resources/ Upcoming Webinars

- Quick Guides
 - Co-managing Disaster Recovery and CARES Act Programs
 - CDBG-CV PPR Tieback Flexibilities
 - CDBG-CV Duplication of Benefits
- Webinars
 - Economic Development Strategies
 - Subrecipient Management
- CDBG-DR/CDBG-CV On-Call

HUD Links and Resources

- Disaster Recovery Tools and Templates Library
 - <https://www.hudexchange.info/resources/disaster-recovery-library/>
- CDBG-CV Federal Register Notice (FR-6218-N-01) published on 8/7/20
 - Federal Register Notice: <https://www.hud.gov/sites/dfiles/CPD/documents/FR-6218-N-01-CDBG-CV-clean-8-7-20-header-for-posting.pdf>
- CDBG-CV Resources
 - https://www.hud.gov/program_offices/comm_planning/cdbg_programs_covid-19
 - <https://www.hudexchange.info/programs/cdbg-cv/>
- Questions
 - FAQs <https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-CV-Notice-FAQs-OBGA-082720-TOC.pdf>
 - CDBG-CV Ask a Question <https://www.hudexchange.info/program-support/my-question/>