

Using CDBG-CV to Address Housing Instability

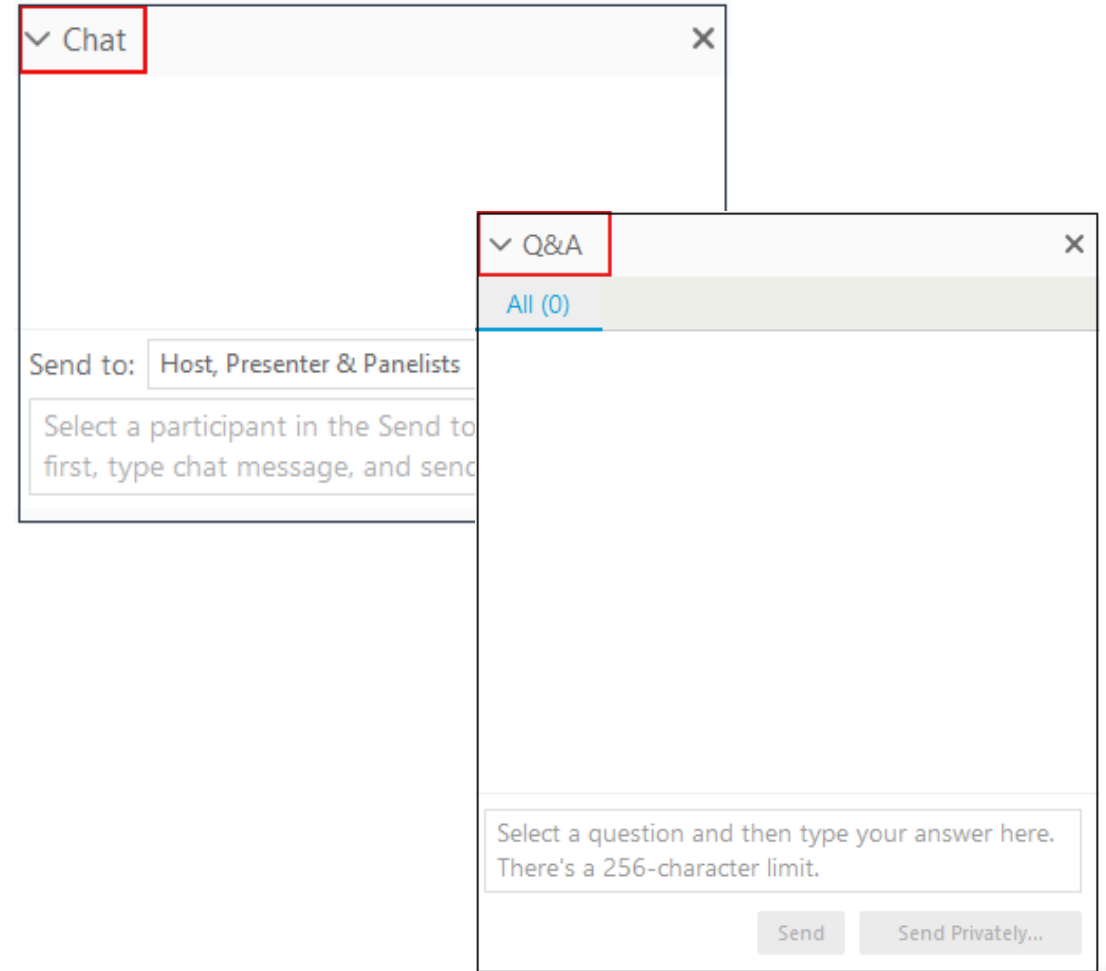


Webinar Instructions

- PowerPoint and webinar recording will be available on the HUD Exchange
- Participants in 'listen only' mode
- Submit content related questions in Q&A box on right side of screen
- For technical issues, request assistance through the Chat box

Technical Issues? Questions?

- Chat
 - Please submit any technical issues via the Chat box
 - Send the message to the Host
 - Host will work directly with you to resolve those issues
- Q&A
 - Please submit any content related questions via the Q&A box
 - Send to Host, Presenter and Panelists



Using CDBG-CV to Address Housing Instability



CDBG
CARES Act



Webinar Objectives

- Attendees will get an overview of CDBG-CV and a discussion of what the current housing needs are and what other resources are being used to address them
- Participants will also increase their understanding of:
 - How CDBG-CV funds can be used to address housing instability needs in their communities
 - How to set up and design housing assistance programs to address housing instability
 - Models on outreach and assistance to households in need

Agenda

- COVID-19 Housing Challenges
- National Eviction Moratoria
- Overview of CARES Act Funding
- CDBG-CV Housing Solutions: Eligible Activities and National Objectives
- CDBG-CV Housing Program Design Considerations
- Funding Resource Considerations
- Program Design Tips and Examples
- Q & A

Introductions

- Erich Chatham, NALCAB
- Stan Fitterman, NALCAB

COVID- 19 Housing Challenges



COVID-19 Housing Challenges

As indicated in FEMA's [COVID-19 Housing Resource Roadmap](#), the following topic areas capture current housing challenges:

- Nonpayment of Rent or Mortgage
- Housing and Service Needs of Homeless Populations
- Housing and Service Needs of Vulnerable Populations
- Reduced Temporary Housing and Shelter Capacity

National Eviction Moratoria



National (CDC) Eviction Moratorium

Effective September 4, 2020 & expires July 31, 2021

Applies to every state and territory with reported cases of coronavirus

Covers all rental housing including mobile homes or land in a mobile home park

Tenants, lessee or residents of a residential property must provide a signed declaration to their landlord

- Local housing counseling agencies, legal aid groups and others are helping tenants with declarations in some communities

Overview of CARES Act Funding



CARES Act Funding for HUD Programs

Community Development Block Grant (CDBG-CV) \$5 billion

Emergency Solutions Grant (ESG-CV) \$3.96 billion

Housing Opportunities for Persons with AIDS (HOPWA-CV) \$65 million

CDBG-CV Overview

All funded activities must be used to prevent, prepare for and respond to coronavirus

Flexible source of funding to pay for costs **not covered** by other sources of assistance

- Duplication of Benefits (DOB) is not allowed

70% of all grant funds must benefit low-and-moderate income persons

- Tested separately for a grantee's total CDBG-CV grant allocation (no multi-year period)

CDBG-CV Funding Overview (cont.)

States may use CDBG-CV funds to directly carry out activities through staff, contractors, or subrecipients in all areas of the jurisdiction (including CDBG Entitlement areas)

- May act directly in tribal areas with prior consent from the tribal entity

CDBG-CV Housing Solutions



CDBG-CV Housing Solutions: Eligible Activities

- All CDBG-CV funded activities must demonstrate that they prevent, prepare for or respond to Coronavirus
 - CDBG has many eligible uses to address housing instability.
 - [Quick Guide to CDBG Eligible Activities to Support Coronavirus and Other Infectious Disease Response](#)
 - Example of tie-in
 - Overdue mortgage payment
 - Housing Rehabilitation
 - Rental Rehab

CDBG-CV Housing Solutions: Eligible Activities (continued)

Public Services	Public Facilities and Improvements	Other Activities
Emergency Payments for Rental/Mortgage Assistance	Congregate Shelter Capacity Expansion & Retrofits	Affordable Housing Development
Housing Counseling	Facilities for Housing Services (i.e. office space for housing counseling services)	FEMA Match
Congregate and Non-Congregate Shelter Operations	Transitional Housing Facilities	Acquisition of Motels for Non-Congregate Shelter Housing Services for HOME Activities

Eligible Activities: Public Services

Public services cap (15%) is waived for CDBG-CV and the 2019 and 2020 CDBG grant for activities that prevent, prepare for and respond to coronavirus

Examples

- Legal aid services,
- Emergency payments,
- Housing Counseling,
- Domestic Violence Services, etc.

Public Services: Emergency Payments

Emergency payments may include rent, mortgage, or utilities for **up to six consecutive months**

- Payments must be made to the provider on behalf of the individuals or family (e.g. landlord, mortgage lender, private utility company)
- May pay for rent in arrears for costs after January 21, 2020, and must have documentation for each month's rent costs

Emergency Payments: Determining the Six Months of Eligibility

Emergency payments period begins when the payment is made, not when the arrearage began

Example: An eligible applicant is 4 months in arrears

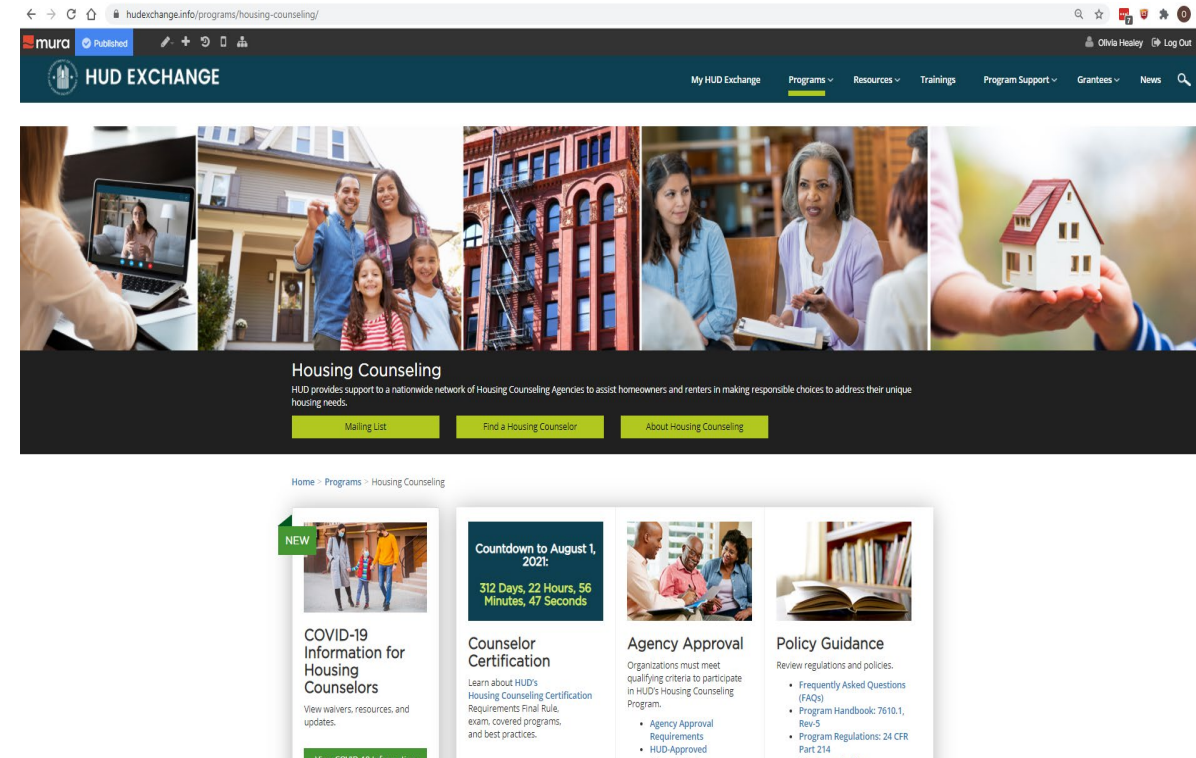
- First Payment: 4 months of arrears and the current month's rent
- Future Eligibility: Assistance may continue for up to 5 more months to fulfill the up-to-six-consecutive-month-period allowance

Emergency Payments: How to Treat Gaps in Need

- Assistance is Based on Need and Must Cover Reasonable and Necessary Costs
- Applicants are still eligible if there is a gap in need
 - Example:
 - Applicant needs assistance paying arrears within the first month of assistance
 - Applicant has another source that will pay the second month of rent
 - Applicant needs assistance for third month
 - Applicant is eligible for third month because it is within period of six consecutive months

Public Services: Housing Counseling

- Homeless, rental, fair housing and homeownership housing counseling services are eligible to assist those impacted by COVID-19
- There are more than 1,700 HUD participating housing counseling agencies across the country
 - Search by Map or Search by Zip Code on the HUD Exchange



Eligible Activities: Public Facilities and Improvements

Construction, reconstruction, rehabilitation or installation of a public facility or improvement

Facilities that are designed for use in providing shelter for persons having special needs are considered to be public facilities (and not permanent residential housing)

Examples

- Acquisition and/or rehabilitation of motels to create or expand non-congregate shelter facilities
- Creating quarantine isolation rooms for vulnerable shelter residents

CDBG-CV Housing Solutions: National Objectives

1. Limited Clientele
2. Low-Mod Housing
3. Urgent Need

CDBG-CV Housing Solutions: National Objectives

Limited Clientele

Public Service Activities: Emergency Housing Payments, Housing Counseling, Housing Support Services, Operation of Shelters, Legal Aid, Domestic Violence,

Public Facility Improvements: Public facility improvements for shelter, housing services and transitional housing.

51% of clients must be low and moderate-income. The remaining clients may be of any income

Low-Mod Income Housing

Housing Rehabilitation Activities: Rehabilitation/Reconstruction of affordable ownership or rental housing that responds to living conditions associated with more severe coronavirus disease or poorer post-COVID health outcomes

Public Facilities and Improvements Activities: Public improvements in support of affordable housing construction.

REMEMBER: Transitional housing, group homes, shelters are not considered housing in the CDBG program.

Duplication of Benefits (DOB)

Grantees must prevent DOB, which occurs when a person, household, business or other entity receives financial assistance from multiple sources for the **same purpose** and the total assistance is more than the total need

Grantees must have policies and procedures for DOB

Before paying a cost, grantees must check to see that the assistance to be provided has not or will not be paid by another source (incl. insurance)

DOB (cont.)

Grantees must be aware of the other sources of assistance that may be available to pay for coronavirus-related needs to avoid DOB:

- It helps grantees design programs that target needs that are unlikely to be addressed by other sources
- It helps grantees know which alternative sources of assistance they need to look at **before** providing assistance to individuals, households and entities as they complete their DOB check

Assistance is not prohibited to meet needs that remain after considering other federal, state, local or philanthropic financial assistance

DOB Example

A family seeks emergency rental assistance under an ESG-funded homelessness prevention program that provides assistance for up to 6 months.

- Assess need;
- Determine other sources that have been/will be used to pay all or part of the cost;
- Calculate maximum award (unmet need); and
- Document compliance.

CDBG-CV Housing Program Design Considerations



CDBG-CV Housing Program Design Considerations

Housing needs have changed

- Overcrowding
- Housing instability
- Re-housing

Collect & review your community data elements

- Unemployment rates (what industries, wage amounts)
- Levels of Poverty
- Rates of Homelessness
- Existing Rent burden

CDBG-CV Housing Program Design Considerations (cont.)

Where is the greatest need?

- Nonpayment of Rent or Mortgage
- Housing and Service Needs of Homeless Populations
- Housing and Service Needs of Vulnerable Populations
- Reduced Temporary Housing and Shelter Capacity

How would you target your resources?

By income

By those experiencing homelessness or those at risk of homelessness (unsheltered or exiting non-congregate shelter)

By vulnerable population

How much time do you have to spend?

Must expend 80% of CDBG-CV funds in 3 years

CDBG-CV Housing Program Design Considerations (cont.)

- What assistance is currently available?
 - Emergency payments for rental or mortgage assistance
 - Utility payment assistance
 - Waiving fees, security deposits
 - Hotel or motel housing support
 - Homeless shelters, churches
- What is needed and not available?

Funding Resource Considerations



Funding Resource Considerations

May be able to tap into or leverage CDBG-CV with other funding sources/programs including:

- ESG & ESG-CV
- HOPWA & HOPWA-CV
- HOME, particularly tenant based rental assistance (TBRA)
- State housing agencies and other entities
- Local organizations (e.g., United Way, Catholic Charities, etc.)
- Private funds (churches, philanthropic donations)

Funding Resource Highlight: Emergency Solutions Grants (ESG-CV)

ESG-CV funds must be used to prevent, prepare for and respond to coronavirus, among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the economic impacts created by coronavirus

Use of ESG-CV funds must comply with the requirements in:

- **CARES Act** - alternative requirements & flexibilities
- **ESG Program Interim Rule** - unless otherwise provided by the alternative requirements & flexibilities below
- **Notice CPD-20-08** - alternative requirements & flexibilities

Funding Resource Highlight: ESG-CV (cont.)

Eligible ESG-CV Costs to prevent, prepare for and/or respond to the effects of coronavirus:

- Street Outreach
- Emergency and Temporary Shelter
 - Operations; renovation; acquisition for temporary ES only; hotel/motel voucher
- Hotel or motel costs for isolation/quarantine
 - If receiving CoC or ESG RRH, ESG HP, or residing in permanent supportive housing
- Rental assistance, utility assistance, and move-in costs
 - Rapid Rehousing & Homelessness Prevention
- Landlord incentives
 - Extra security deposit, signing bonus, damages, cleaning

Funding Resource Highlight: ESG-CV (cont.)

Eligible ESG-CV Costs to prevent, prepare for and/or respond to the effects of coronavirus (*under some components*):

- **Case Management**
- Connect to mainstream services
- Services
 - Outpatient health services
 - Outpatient mental health services
 - Legal services
- Diversion/Problem Solving

Funding Resource Highlight: ESG-CV (cont.)

Document how program activities are structured to prevent, prepare for and/or respond to the effects of coronavirus in the IDIS activity description.

Document program participant eligibility: Required for all ESG program participants.

Funding Resource Highlight Summary- Through the Lens of CDBG-CV

	<u>CDBG-CV</u>	<u>ESG-CV</u>	<u>HOPWA- CV</u>	<u>HOME</u>
Public Services	Emergency Payments	Rental and Utility Assistance	STRMU Assistance and Tenant Based Rental Assistance	
	Congregate and Non-Congregate Shelter Operations	Emergency Shelter and Temporary Emergency Shelter Operations	Hotels/Motel Temporary Shelter; Operating expenses of short-term and transitional facilities	
	Housing Services and Other Services	Case Management; Essential Services (Street Outreach and Emergency Shelter)	Case management and other supportive services	

Funding Resource Highlight Summary- Through the Lens of CDBG-CV

	<u>CDBG-CV</u>	<u>ESG-CV</u>	<u>HOPWA- CV</u>	<u>HOME</u>
Public Facility Improvements	Acquisition, Construction, Reconstruction or Rehabilitation of Shelters, Facilities for Housing Services, Transitional Housing Facilities	Acquisition of Temporary Emergency Shelter (ES); Renovation of Both Temporary ES & ES	Acquisition, new construction, rehabilitation, conversion (for facilities providing housing and services)	
Other Activities	FEMA Match, Housing Services for HOME Activities			

CDBG-CV Program Design Considerations and Requirements

Consider collaborations/partnerships to increase efficiency

- Utilize experienced reliable organizations to distribute funds

Review/maximize existing program funds designated for rental or mortgage assistance (i.e., HOME, ESG, HOPWA)

Reallocate budgeted local funds to emergency housing needs, combining flexible local funds with philanthropic funds

Identify new funds that can be allocated for housing assistance

Program Design Tips and Examples



Program Design Tips

Utilize experienced organizations to distribute funds

- HRA's and PHA's have experience administering rental and emergency housing programs.

Reallocate budgeted local funds to emergency housing needs, combine flexible local funds with philanthropic funds

Identify new funds that can be allocated for housing assistance

Maximize existing program funds designated for rental or mortgage assistance (i.e., HOME, ESG, HOPWA)

Program Design Tips (continued)

Reach out to landlords and property managers - what are their concerns?

- Discuss requirements they will need to initiate or agree to

Don't rely solely on web-based internet forms as outreach to non-assisted renters and homeowners

- Remember that you must adhere to Federal, State, and local laws
- Create flyers that can be placed in food bank parcels, placed at the library, schools or used by local organizations providing emergency assistance
- Use TV media, Realtor associations, Chamber of Commerce, etc.

Self Assessment

Program Example- Pooling State and Local Resources

Collectively pool county/state resources to create a rental or utility assistance program

State staff accepts/reviews initial applications (submitted online), which are then passed onto a community provider (housing counselor or financial coach) who works directly with the applicant verifying income and need for assistance

State pays for applicant processing, supporting the operations of the community provider

Program Example- Passthrough to Counties

State disburses funds to every county, who in turn subgrants funds to homeless providers and other local organizations that provide renter assistance

Program targets applicants with incomes below 50% AMI that are

- Severely rent burdened
- Have been homeless in the past 5 years
- Have been evicted within the last 7 years
- Experienced housing discrimination or
- One family member has a disability

Counties must equitably disburse funds based on demographic percentages

Q & A



Resources



Resources

- CPD COVID-19 Grantee Guidance
 - https://www.hud.gov/program_offices/comm_planning/covid-19
- CDBG-CV Resources
 - <https://www.hudexchange.info/programs/cdbg-cv/>
- CDBG-CV Federal Register Notice (FR-6218-N-01)
 - <https://www.hud.gov/sites/dfiles/CPD/documents/FR-6218-N-01-CDBG-CV-clean-8-7-20-header-for-posting.pdf>

Resources

- FEMA's COVID-19 Housing Resource Roadmap
 - https://www.fema.gov/sites/default/files/2020-09/fema_covid-19-housing-resource-roadmap_9202020.pdf
- Federal Funding Priority Order For Non-Congregate Shelter During COVID- 19
 - https://www.hud.gov/sites/dfiles/CPD/documents/HUD_Interagency_Funding_Priority_Order_Interagency_Comments-Final-6.23.20.pdf
- Quick Guide to CDBG Eligible Activities to Support Coronavirus and Other Infectious Disease Response
 - <https://files.hudexchange.info/resources/documents/Quick-Guide-CDBG-Infectious-Disease-Response.pdf>
- Using HOPWA Program Funds for Infectious Disease Preparedness and Response
 - <https://www.hudexchange.info/resource/6034/notice-cpd-20-05-cares-act-implementation-instructions-and-related-flexibilities-for-the-hopwa-program/>