

Rural Coronavirus Response with CDBG-CV



CDBG
CARES Act

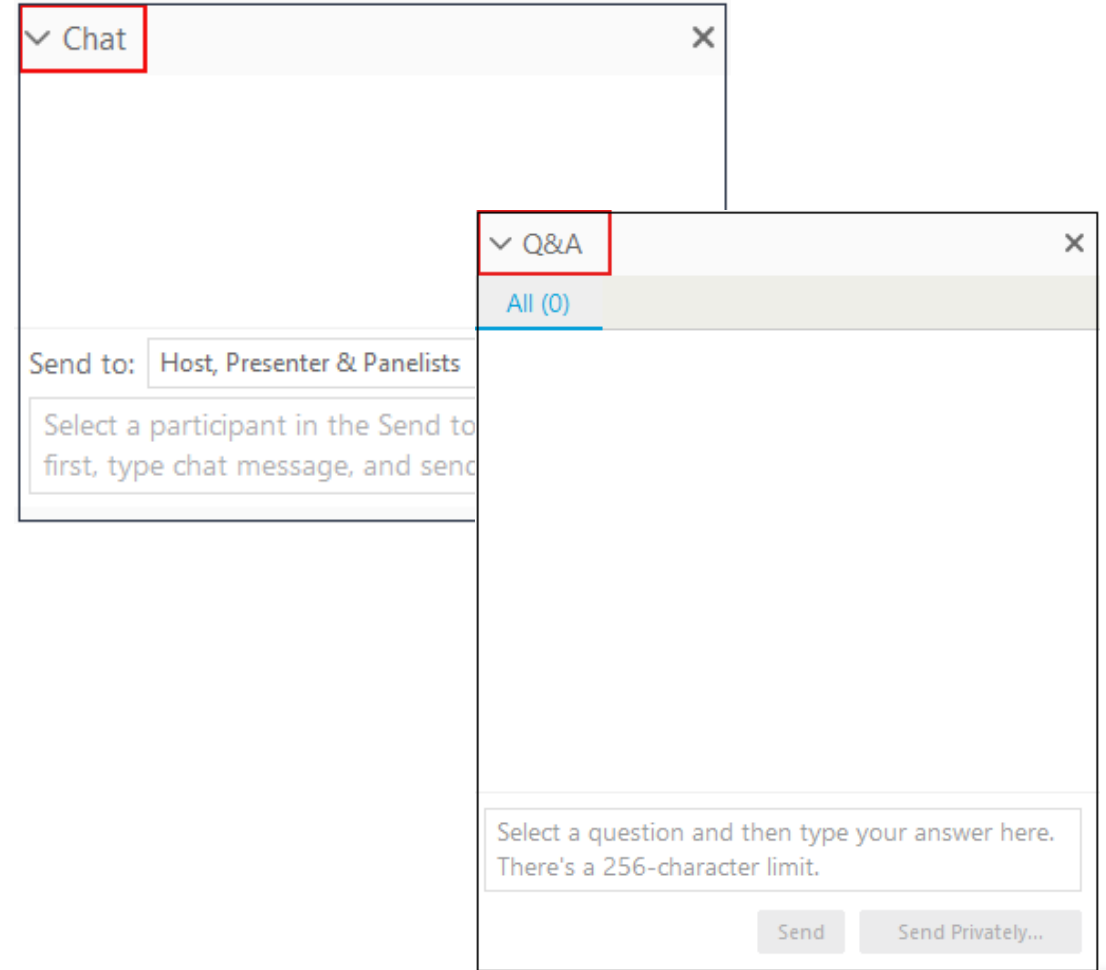


Webinar Instructions

- PowerPoint and webinar recording will be available on the HUD Exchange
- Participants in 'listen only' mode
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Technical Issues? Questions?

- Chat
 - Please submit any technical issues via the Chat box
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- Q&A
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Rural Coronavirus Response with CDBG-CV



CDBG
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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

- Rural Coronavirus Response with CDBG-CV Challenges
- Housing
 - Emergency Payments
 - Housing Rehabilitation
 - Motel Acquisition for Long-term Homeless Non-Congregate Shelter
- Food
- Broadband
 - Using Buses to Bring Wi-Fi to Students
 - Installing Wi-Fi At Public Facilities
- Economic Development and Recovery
 - Assisting For-Profit Business Recovering from the Impacts of COVID-19
 - Assisting Retail Oriented Businesses and Restaurants
- Q & A

Introductions

- Erich Chatham, NALCAB
- Stan Fitterman, NALCAB

Rural Coronavirus Response with CDBG-CV

Overview and Challenges



Rural regions tend to have

Higher levels of poverty

Fewer job opportunities

Heightened vulnerability to labor market shocks

Rural areas broadly

Lack access to healthcare

Challenged by an increased reliance on telehealth without an increase in broadband access

Tend to have older and health-compromised populations

Face serious barriers to enrollment in clinical trials

Have far more limited access to COVID-19 testing

Rural Areas - Unique Challenges

- Limited grantee and subrecipient capacity
- Dispersed population in rural make it difficult to offer services or accept applications at a central location.
- Lack of broadband and internet access can also make online applications difficult.

Housing

Emergency Payments



Emergency Payments - Overview

- CDBG funds can be used to provide emergency payments for past due, current, or future housing costs on behalf of an individual or family for up to three consecutive months. (**24 CFR 570.207(b)(4)**)
- By waiver, HUD has extended the emergency payments **to six consecutive months** when using CDBG-CV funds and grant year 2019 and 2020 formula CDBG funds to prevent, prepare for, or respond to coronavirus.
- CDBG-CV housing assistance programs for rural areas are administered by state grantees. Some states allocate the money to cities and counties for implementation to be done at the local level.

What Can Emergency Payments Cover?

Grantees can provide rental assistance, mortgage assistance and utility assistance.

Payments must be made directly to the provider (landlord, mortgage servicer, utility company).

Housing assistance can be provided for households that have a contract for deed.

HUD recommends, but does not require, that the contract for deed be properly recorded, serviced by a third-party servicer, and otherwise provide appropriate protections for the buyer.

What Can Emergency Payments Cover?

- Grantees should consider these assurances with the demand to assist people in need who might also be the victims of unscrupulous developers that have proliferated in certain less-regulated rural areas.
- Because assistance payments are made to the provider, grantees must be able to confirm that the payments were properly applied and the intended benefit was received, especially when less conventional real estate agreements are involved.
- Utility payments on behalf of an individual or family are an eligible CDBG/CDBG-CV public services activity. Special rules; however, apply when the utility provider is a publicly owned entity.

How to Apply?

A household would apply to a program created by the state or local government administrator (not to HUD). Applications are usually submitted electronically via third-party platform or one created specifically for this program.

Given limits on internet access for many low-income rural households, several states have enlisted the help of local community action agencies or other nonprofits that accept and submit the application for the internet challenged applicants. This is an eligible CDBG-CV Activity Delivery cost.

Duplication of benefits must be considered. For housing assistance, a duplication occurs when two sources pay for the same need – such as two different agencies making the rent payment for the same month. If two sources provide rental assistance for different months, a duplication has not occurred.

Housing

Housing Rehabilitation



Rehab Efforts

- Grantees may use CDBG and CDBG-CV funds to assist property owners with necessary housing rehabilitation and reconstruction to respond to living conditions associated with more severe coronavirus disease or poorer post-COVID health outcome:
 - Mold
 - Lead-based paint
 - Poor ventilation
- Includes providing forgivable loans for rehabilitating homeowner housing, as well as renter occupied housing to comport with standard building codes and public health advice.

Housing

Motel Acquisition for Long-term Homeless Non-Congregate Shelter



Motel Acquisition

- Acquisition and rehabilitation of abandoned or under-used motels to limit congregate homeless shelters.
- Activity is eligible as either a public facility or housing activity depending on how the tenancy is structure.
- Davis-Bacon requirements must be considered.
- Results from a University of Washington study of a King County initiative that moved people out of homeless shelters and into hotel rooms indicated that the program helped slow the transmission of coronavirus and improved physical and mental health.

Food

Overview



Food - Considerations

- Many grantees have provided CDBG-CV assistance to food banks in response to the increased demand for assistance.
- Food banks that serve a primarily residential low/mod area, may meet the low-and-moderate area benefit (LMA) national objective.
- For food banks that do not have a low-mod service area, grantees may use the low-mod clientele national objective.
- Grantees should use their best judgment in funding agencies providing these services and should at least ensure that they have a written policy on self-certifications.

Food – Program Examples

Several school districts in rural Kentucky created grab-and-go sites for families to pick up meals, and some districts designated vehicles to drive to different communities and neighborhoods to drop off food.

- Programs are designed for families that qualify for free or reduced-price lunches.
- Activity could meet the Low-Mod Area (LMA) national objective if the population of the service area is 51% or more low-mod.
- The LMC national objective can also be used. Grantees could use self-certification to reduce the administrative burden of collecting income verification from every assisted household.

* More info on self-certification is available at CDBG Self-Certification of Annual Income Form (HUD Exchange)

Food – Program Examples (Cont'd)

Under its existing “Lakewood Engage” program, Lakewood Health Systems, (rural Minnesota) provides fresh-frozen microwave meals to older adult patients recovering from surgery.

- Program has been expanded to include patients who have tested positive for the COVID-19 virus.
- Each meal was designed by a licensed dietician and prepared at a local facility that also prepares food for the Meals on Wheels program.
- All meals are made with fresh ingredients and frozen right after their preparation (higher nutritional value and less food processing).
- The most likely national objective would be LMC but could also meet a LMA national objective, if geography or logistics dictates that the meals are only delivered to a specific service area.

Broadband

Overview



Broadband Access

Refers to: Always-on, High-speed internet connection

Broadband connectivity provides access to a wide variety of resources, services, and products

Bridges the gap in education, services, and employment opportunities that exists in many low-and-moderate income communities

Broadband Eligibility

CDBG-CV funds may be used to install wiring, fiber optic cables, and permanently affixed equipment such as receivers for areas to receive broadband access.

The acquisition, construction, reconstruction, rehabilitation, or installation of public facilities and improvements, including infrastructure improvements, are also eligible.

Broadband

Activity Examples



Broadband – Using Buses to Bring Wi-Fi to Students

- Thirty-five percent of the students in the rural areas of Jackson County, MI do not have access to internet.
- During the days of virtual learning, the school district deployed a fleet of 13 school buses equipped with Wi-Fi to certain parts of the district to help address the gap of access
- Each bus has Wi-Fi connection instructions and provides Wi-Fi at a range of 150 to 300 feet from the buses.
- Depending on where the buses are parked, this would likely meet a LMA national objective.
- The activity could meet a LMC national objective if the grantee documented that the nature and location of the activity were such that at least 51% of the users would reasonably be expected to be income qualified, or if the grantee only provided passwords to households that provided an income self-certification.

Broadband – Installing Wi-Fi At Public Facilities

- Escambia County Florida expanded a program to install Wi-Fi at all county parks and community centers.
- Initially, the county planned on just installing the service at community centers, primarily to provide virtual learners with access to Wi-Fi.
- The decision was made to expand the program parks to provide access for people in rural areas of the county, who don't have nearby community centers.
- While the county is using CARES Act funds, this CDBG-CV eligible activity would meet a LMA national objective provided the population of public facility's service area is at least 51% Low-mod.
- Since it is the expansion of a public service, it would be a CDBG-CV eligible expense.

Economic Development and Recovery

Overview



Economic Development and Recovery Eligibility

CDBG-CV funds can be used for special economic development activities.

Direct assistance to businesses and microenterprises, to help local businesses respond to the impacts of the coronavirus pandemic as well as to prevent the further spread of COVID-19.

Assistance can be for working capital and facility safety improvements, as well as operating costs such as payroll, rent and utilities.

Economic Development and Recovery

Example Programs



Assisting For-Profit Business Recovering from the Impacts of COVID-19

- The State of Nebraska Department of Economic Development is currently offering loans and grants to businesses under two eligible activity types:
 1. Funding assistance for new businesses or business expansion to create Low/Mod Jobs (LMJ) and manufacture medical supplies necessary to respond to infectious disease, and
 2. Funding assistance to avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses, to enable retention of jobs held by low- and moderate-income persons.

Assisting For-Profit Business Recovering from the Impacts of COVID-19

- The State of Vermont's Sole Proprietor Stabilization Program provides CDBG-CV funds to sole proprietorships that have been impacted by the COVID-19 pandemic.
- Grants range from as little as \$1,500 to \$10,000 which may be used for eligible business expenses including rent, utilities, supplies and inventory.

Assisting Retail Oriented Businesses and Restaurants

- CDBG-CV funds may be provided to assist for-profit retail and restaurant businesses providing economic opportunities for the residents (LMJ) or serving the area (LMA).
- The City of St. Cloud, FL is providing funding to retail and restaurant-oriented businesses, located in the city's Downtown Entertainment District, for the acquisition and installation of outdoor dining furniture.
- Outdoor dining facilities will allow restaurants and businesses to re-open at greater capacity while still maintaining social distancing protocols.

Q & A



Resources



Resources

- CDBG-CV Federal Register Notice

<https://www.hudexchange.info/resource/6113/fr-6218-n-01-notice-of-program-rules-waivers-alt-requirements-under-cares-act-cdbg/>

- CDBG-CV Resources

<https://www.hudexchange.info/programs/cdbg-cv/>

- CDBG CARES Act Webinar Series

<https://www.hudexchange.info/news/cdbg-cares-act-webinar-series/>

- CDBG-CV FAQs

<https://www.hudexchange.info/resource/6090/cdbgcv-covid19-faqs/>

Resources - Quick Guides

- CDBG-CV PPR Flexibilities Quick Guide

<https://www.hudexchange.info/resource/6309/cdbg-cv-ppr-tieback-flexibilities-quick-guide/>

- CDBG-CV Financial Management quick Guide

<https://www.hudexchange.info/resource/6308/cdbg-cv-financial-management-quick-guide/>

- CDBG-CV Economic Development Tool-Kit

<https://files.hudexchange.info/resources/documents/Economic-Development-Toolkit-Manual.pdf>

- CDBG-CV Economic Development Quick Guide

<https://www.hudexchange.info/resource/6303/cdbg-cv-economic-development-quick-guide/>

Resources - Quick Guides

- CDBG-CV Ask-A-Question

<https://www.hudexchange.info/program-support/my-question/>

- CDBG-CV On-Call TA

<https://www.hudexchange.info/program-support/technical-assistance/>