

State CDBG-CV Implementation

July 27, 2021

CDBG-CV program implementation utilizing the alternative requirements and flexibilities in the CDBG-CV Federal Register Notice.

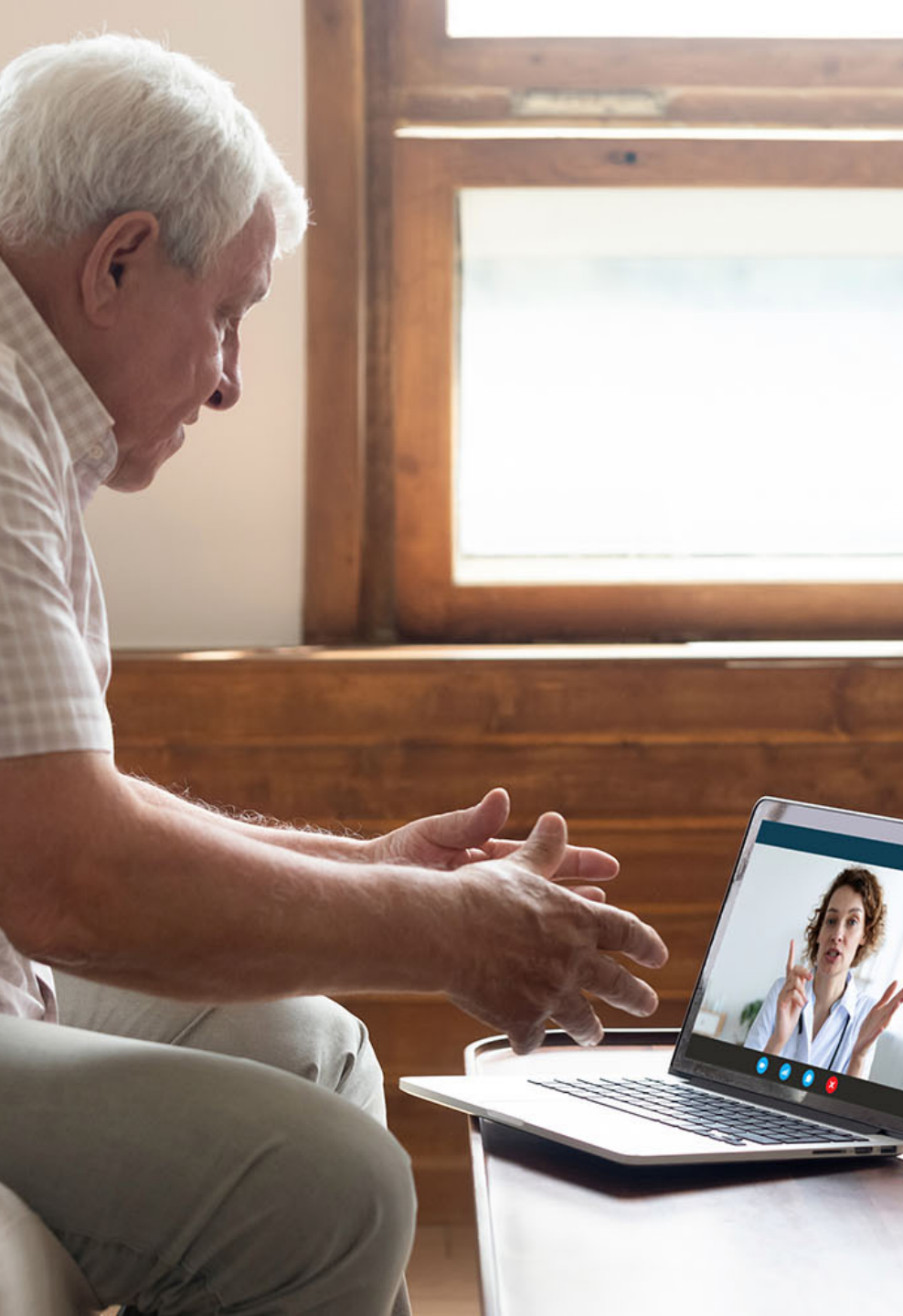


CDBG
CARES Act



Welcome and Presenters





TDA Consulting/HUD State and Small Cities Division

TDA Consulting

- Randall Mullen, Vice-President
- Doug Carlson, Senior Consultant

HUD State and Small Cities

- Robert Peterson, Director
- Cory Schwartz, Deputy Director

Session Topics

- PPR tieback for State CDBG-CV Activities
- Non-Entitlement Set-Aside
- Monitoring for State CDBG-CV
- Spending Deadline and Examples
- Upcoming peer to peer clinic, CDBG-CV program support for states
- Questions and Answers – end of session

PPR Tieback

- “Prepare, Prevent, Respond (PPR) to Coronavirus” (CARES Act and [F.R. Notice](#) Section III.B.5.(a))
- Activities and strategies can focus on documented coronavirus effects, or
- Risks to overall economic, service, housing and infrastructure serving LMI neighborhoods and communities
- Consider backward and potential forward-looking risks or vulnerabilities when considering activities to fund
- Direct and Indirect Impact activities (CDBG-CV [PPR Tieback Quick Guide](#) 4/30/21)
 - Economic Development
 - Public Services
 - Housing
 - Public Facilities
 - Planning

Economic Development

Direct Impact

- Provide working capital assistance to small businesses or entrepreneurs to avoid or reverse job loss (loss of positions or hours worked) caused by business closures related to community mitigation measures
- Provide grants or loans to entrepreneurs or existing businesses to acquire, convert, construct, or reconstruct commercial spaces to revitalize communities and local economies affected by business or job losses resulting from the coronavirus

Indirect Impact

- Provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises to revitalize communities and local economies affected by coronavirus or to prepare for and prevent future outbreaks.

Public Services

Direct Impact

- Provide equipment, supplies, and materials necessary to carry-out a public service related to the effects of the pandemic on low-and-moderate income households and homeless persons
- Provide testing, diagnosis, vaccination, or other health services to low/mod persons at a mobile location.

Indirect Impact

- Increase the capacity and availability of daycare or after-school services serving low/mod areas to enable workers to rejoin the workforce
- Provide up to six consecutive months of emergency subsistence payments (for example, for rent, mortgage, or utilities) to a provider on behalf of a family to prevent eviction or stabilize LMI neighborhoods affected by economic disruption since January 2020

Housing

Direct Impact

- Respond to residential over-crowding associated with coronavirus spread, more severe coronavirus disease, and poorer post-COVID health outcomes by acquiring property for new construction of affordable housing funded from another source
- Respond to residential over-crowding associated with coronavirus spread, more severe coronavirus disease, and poorer post-COVID health outcomes by converting a vacant or abandoned commercial structure to affordable housing.

Indirect Impact

- Respond to living conditions associated with more severe coronavirus disease or poorer post-COVID health outcomes through grants or loans for homeowner housing or to rehabilitate multi-family housing to meet building codes and public health advice.
- Respond to residential over-crowding associated with coronavirus spread, more severe coronavirus disease, and poorer post-COVID health outcomes by constructing affordable housing as part of a neighborhood revitalization project (waivers considered!)

Public Facilities

Direct Impact

- Make interim improvements to private properties to allow individual patients to quarantine on a temporary basis or to recover from COVID
- Acquire and/or rehabilitate a motel or hotel building for non-congregate shelter or enable permanent housing where such housing is not sufficient during a coronavirus pandemic or epidemic.

Indirect Impact

- Construct or improve public parks serving LMI areas to provide outdoor fitness and social space that meets social distancing guidance.
- Rehabilitate community facilities to increase ventilation and space for LMI residents, seniors or youth services and activities.
- Extend broadband infrastructure in underserved LMI areas to support tele-school and telemedicine. See: “Using CDBG-CV for Broadband Quick Guide”
- Reconstruct degraded water lines to supply potable water to homes, schools, and health providers.

Planning

Direct Impact

- Grant funds to UGLGs for planning activities related to a CDBG-CV eligible activity or for planning only activities.
- Note: These activities are subject to the State's administration, planning and technical assistance cap. See Section III.B.6.(b)(vi) of F.R. Notice 6218-N-01 for CDBG-CV.

Indirect Impact

- Grant funds to UGLGs to hire outside support to deliver CDBG training to new subrecipients and local government departments that are administering CDBG funds for the first time to assist with pandemic recovery.
- Note: This activity is subject to the State's administration, planning and technical assistance cap. See Section III.B.6.(b)(vi) of F.R. Notice 6218-N-01 for CDBG-CV.

Non-Entitlement Set-Aside

CDBG-CV F.R. Notice Section III.B.6.(b)(i) – Direct Action by States

- “A state must set aside a portion of its grant for use by non-entitlement units of general local government. The non-entitlement set aside must be *no less* than an amount equal to the state’s first CDBG-CV allocation and may be from any portion of the state’s additional CDBG-CV allocation.”
- All three rounds of CDBG-CV funds may be used to budget funds for use by non-entitlement UGLGs, provided that the total set-aside is at least an amount equal *to* CV1
- State grantee program administration and technical assistance expenditures do not count toward set-aside requirement.

Non-Entitlement Set-Aside

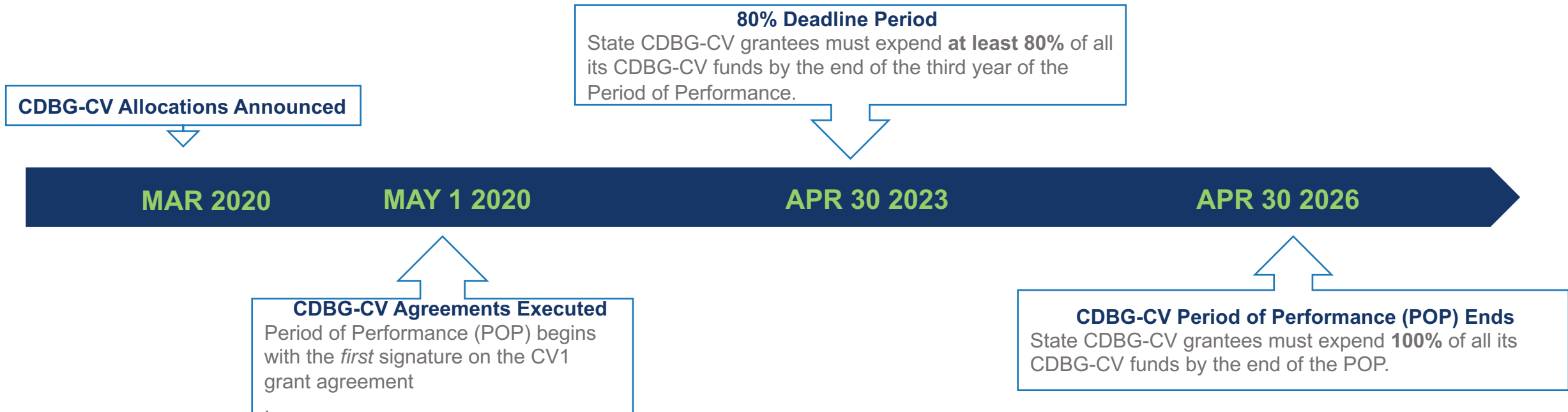
- To satisfy this requirement, the UGLG may carry out activities directly or request that the state carry out activities on its behalf.
- The UGLG must follow local citizen participation requirements, as modified by the Notice. This mimics the state CDBG program.
- The state's MOD can include the option for an UGLG to request that the state carry out activities benefitting the residents of the UGLG by using CDBG-CV funds on the UGLG's behalf.
- See [State CDBG-CV FAQs](#)

Monitoring for State CDBG-CV

CDBG-CV F.R. Notice Section III.B.6.(b)(i) – Direct Action by States

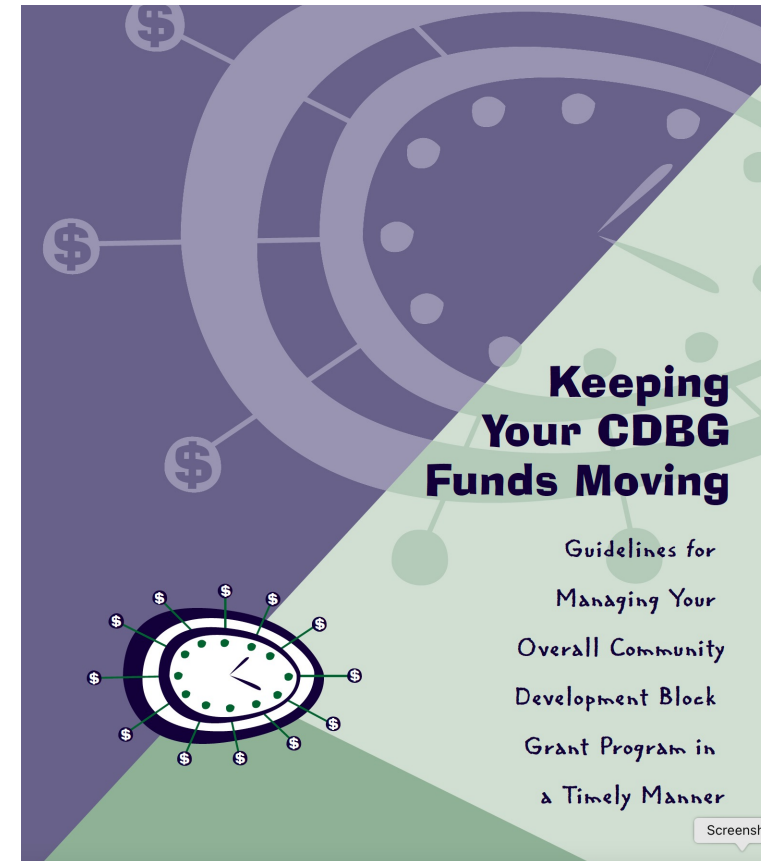
- “To include instances when a state carries out activities directly, 24 CFR 570.492 is waived and the following alternative requirement applies: *the state shall make reviews and audits, including on-site reviews of any subrecipients and local governments, as may be necessary or appropriate to meet the requirements of section 104(e)(2) of the HCD Act, as amended.*”
- State Risk Analysis
 - In accordance with the “necessary and appropriate” language in the CDBG-CV Notice
 - Identify areas of risk for CDBG-CV
 - Ex. PPR Tieback, DOB, expenditure deadlines
- State Monitoring Plan for CDBG-CV
- [Single Audit Requirements](#)

Spending Deadlines and Examples



Spending Deadlines and Examples (Cont'd)

- To [keep the funds moving](#), States should consider best practices
- Strategies include:
 - Building Awareness of the Timeliness Issue
 - Organizing and Staffing for Accountability
 - Streamlining Program/Project Implementation
 - Ensuring Timely Expenditure Information Availability
 - Monitoring for Timeliness
 - Reacting to Incipient Problems
 - Educating Key Officials and Getting Their Support



State Program Support

- State Peer-to-Peer cohort – September 20
- CDBG-CV AAQ <https://www.hudexchange.info/program-support/my-question/>
- FAQs <https://www.hudexchange.info/resource/6090/cdbgcvcovid19-faqs/>
- On-Call TA Support

Q and A

