

USING CDBG EMERGENCY PAYMENTS FOR RENTAL ASSISTANCE IN CORONAVIRUS RESPONSES

The COVID-19 pandemic has led to economic, health, and social hardships—including increased housing instability and the threat of homelessness—for millions of people. The Coronavirus Aid, Relief, and Economic Security (CARES) Act created new one-time programs and waived several regulatory requirements of other existing programs to help communities prevent, prepare for, and respond to the pandemic. Many of these programs enable families¹ and individuals to remain in their homes and avoid homelessness during the pandemic. Along with other federal programs, the Community Development Block Grant (CDBG) can support housing stability and homeless prevention efforts such as the provision of emergency assistance and services.

This document explains how to target limited CDBG resources efficiently and effectively through a coordinated strategy to stabilize individuals and families at risk of becoming homeless. This guidance applies to both annual entitlement allocations of CDBG as well as supplemental CARES Act CDBG (CDBG-CV) funds. An understanding of the broad array of available programs will help grantees to target CDBG funds to “fill gaps” in a comprehensive housing stability and targeted homeless prevention strategy. This document provides general guidance on:

- Strategic planning, coordination, and program design.
- Rental assistance resources.
- CARES Act flexibilities and using CDBG for rental assistance programs.
- Other useful resources.

While this guide does not specifically address the needs of homeowners at risk of losing their housing due to the economic impact of the pandemic, many of the concepts found here can also be applied when developing a mortgage assistance program.

STRATEGIC PLANNING AND COORDINATION

CDBG is only one among many resources that can fund rental assistance and homelessness prevention activities. Grantees should consider other ongoing and one-time resources for rental assistance including the much larger CARES Act appropriations such as the Coronavirus Relief Fund (\$150 billion) and the Federal Emergency Management Agency (FEMA) Disaster Relief Fund (\$45 billion), as well as smaller allocations through existing U.S. Department of Housing and Urban Development (HUD) programs such as Emergency Solutions Grants (ESG), Housing Opportunities for Persons With AIDS (HOPWA), or public housing. CDBG grantees choosing to provide rental assistance to address community needs should work with other public, private, and nonprofit partners across funding sources to create a strategic and integrated emergency rental assistance program portfolio of federal and non-federal resources. A goal is to identify the best use of CDBG funds to fill gaps or support activities that are more difficult to support through other sources.

¹ CDBG and other programs use the term “families” as defined in 24 CFR 5.403. The definition includes a group of persons residing together, regardless of actual or perceived sexual orientation, gender identity, or marital status. For reporting purposes in CDBG and other programs, the term household may be used.



Step 1: Conduct a Rapid Needs Assessment

Identify who is (or is most likely to be) at risk of losing their housing due to COVID-19 and to what extent.

A rapid needs assessment will help grantees target limited resources. Grantees will need to select data sources that reflect the recent and rapid health, economic, and social impacts of COVID-19. Given the disproportionate impact of COVID-19 on people of color and other vulnerable populations, grantees are advised to select measures that can be disaggregated by race, ethnicity, and other household characteristics to offer insight into which groups need financial support to maintain their current housing.

Data sources that can be used to rapidly assess current needs include:

- Unemployment data—available by county, updated monthly.
- Applications for food assistance—available by county, updated monthly.
- Public health data regarding COVID-19 infections and deaths—available daily.
- Rental delinquency data—available from property owner associations, reported monthly.

Another helpful resource is the U.S. Census Bureau’s Household Pulse Survey. Updated weekly, the survey provides insight into how household experiences have changed during the pandemic and includes information on employment status, spending patterns, food security, housing, physical and mental health, access to health care, and educational disruption.

HUD’s [COVID-19 Homeless System Response: Estimating Future Homelessness](#) contains additional guidance.

Key informant interviews can provide information about developing trends, the needs of different populations, and barriers to housing stability created or aggravated by the pandemic as well as potential strategies for overcoming these barriers. These interviews can also help identify potential partners who are receiving and allocating CARES Act dollars or other resources to respond to the needs of at-risk renters.

Consolidated plans and fair housing plans can provide important baseline information by identifying populations and geographic areas that are already financially distressed or impacted by housing discrimination and could be vulnerable to the economic impact of the pandemic.

Step 2: Inventory Available Resources

Inventory federal, state, local, or private programs available for rental assistance and homelessness prevention.

Potential Consultation Partners

- Continuum of Care grantees
- Affordable housing providers and public housing agencies
- Social service and public health agencies
- Agencies working with communities of color and other protected classes
- Schools and McKinney Vento liaisons
- Private landlords or rental owner associations
- Chambers of Commerce or other business associations
- Financial institutions and/or community development financial institutions
- Utility companies

What other programs are available in your region that can support both direct financial assistance and other services that promote housing stability? What are the available funding amounts, targeted

populations, income restrictions, types of assistance, duration of assistance, administrative requirements, expenditure deadlines, and other characteristics of each program?

Tables 1–3 in the *Overview of Rental Assistance Resources* section provide some of this information.

Step 3: Identify Key Partners and a Coordinating Body

Collaborate with other local jurisdictions and nonprofit organizations to develop a coordinated strategy to allocate resources and facilitate the implementation of your rental assistance program.

Evaluate the capacity of existing and potential partners to determine whether they have the knowledge, experience, and resources needed to implement the program. Consider whether they:

- Have administered similar assistance programs.
- Understand the regulatory requirements that will apply to your program.
- Have administrative and financial policies and procedures in place to comply with these requirements.
- Are staffed sufficiently to respond to the anticipated demand.

Technical assistance may be needed for those entities with the organizational capacity to administer a rental assistance program but have limited experience administering CDBG and other federal grants. Some organizations without the capacity to be a CDBG subrecipient can help with marketing or outreach to specific populations.

Step 4: Prioritize Needs and Match with Funding Sources

Investigate the use of other resources to fund your rental assistance program to maximize its impact. Match your priority needs with appropriate resources.

Using the information about other available resources collected in Step 2, identify the role of CDBG funds in filling gaps remaining by the other rental assistance and homeless prevention programs. Questions to consider include:

- Are CDBG funds needed to keep families with higher income (including above-moderate income) in their homes that other programs cannot fund?
- What is the order of assistance for each resource based on availability? Are there expenditure time limits that push forward the use of some funding sources?
- Will CDBG emergency rental assistance funds be used to bridge funding for an individual or family?
- Should the funds also be targeted to facilitating discussions between renters and a landlord or safer childcare so parents can remain employed and pay rent on their own?
- Are the administrative requirements for some programs more burdensome than others for certain types of rental assistance?

Entities with knowledge of other funding resources may include:

- Continuum of Care grantees
- Continuum of Care organizations
- Other cities, counties, and states
- Public Housing Authorities
- Philanthropic institutions
- Social service organizations



CDBG funds can be used for a wide range of services that can complement direct rent assistance available through other sources. For example, CDBG funds can be used for less expensive interventions such as housing navigation and housing search services, job referrals, foreclosure prevention counseling, landlord-tenant assistance, and legal services. CDBG funds can also be used to target a specific population that may not be served through another funding source.

Up to 20 percent of CDBG funds may be used for planning and administrative activities, including providing fair housing information. Grantees can expand existing services and/or provide new ones to address impediments to fair housing related to COVID-19. Examples include fair housing education, tenant-landlord counseling, complaint services, and consumer hotlines.

Information on the eligible uses of CDBG funds, including CDBG CARES Act flexibilities, and other resources for matching identified needs to available funding sources can be found in the tables located in the *Overview of Rental Assistance Resources* section.

PROGRAM DESIGN AND IMPLEMENTATION

Design and implement your rental assistance program in collaboration with identified partners.

Design Process

Recommended actions for designing your rental assistance program, including the development of qualifying planned expenditures, program parameters, and implementation procedures, are identified below.

Qualify the activity

- Determine CDBG eligibility.
- Link to the prevention, preparation for, or response to coronavirus.
- Identify the national objective.

Design the program

- Develop roles and responsibilities for funding and implementation partners.
- Establish program and financial policies and procedures.
- Identify performance measures and methods for collecting beneficiary data.
- Select program partner(s) or subrecipient(s).

Implement the program

- Conduct outreach and market to targeted populations.
- Coordinate the application process and provide assistance.
- Monitor performance and complete quarterly reporting.
- Evaluate impacts.

Selecting a Program Partner

Consider working with a single entity to manage and deploy resources on behalf of multiple funding partners. For example, by designating a local nonprofit or a jurisdiction that may also be distributing rent assistance resources as a CDBG subrecipient, you can effectively align CDBG-CV funds with other grant resources. This will ensure coordination of the implementation process and prevent the duplication of benefits. An alternative is to identify multiple agencies with a history of working with targeted populations and/or geographic areas. This model may work better for larger geographic areas and for grantees with the management capacity to oversee the deployment of rent assistance resources through multiple organizations.

Marketing and Outreach

The design of your outreach and marketing is important. Be strategic and focused to ensure equal access to the program for at-risk and historically underserved populations. Underserved populations may include ethnic minorities, refugees and recent immigrants, individuals with disabilities, families with children, or seniors. Consider the capacity of the organization when assigning program roles. Some organizations may have the capacity to assist with referrals and outreach activities, but not to administer a federal grant program.

Program Compliance

Consider specific CDBG and CARES Act requirements regardless of how you structure your rental assistance program. If you contract with another agency to run your program on your behalf, they must meet CDBG subrecipient requirements (see [2 CFR 200.330](#) and [24 CFR 570](#) for additional guidance). You must also take steps during the strategic planning, program development, and implementation stages to prevent a duplication of benefits. Finally, document how your program prevents, prepares for, and responds to the coronavirus. These requirements are described more fully later in this document.

OVERVIEW OF RENTAL ASSISTANCE RESOURCES

Designing an effective rental assistance and homeless prevention response requires first developing an inventory of the resources available, then matching each program to a need based on factors such as the timing of the funds, eligible activities, targeted beneficiaries, income restrictions, and regulatory requirements (see Steps 2 and 4 above). The tables below summarize these characteristics for several federal programs. **For all tables, some limitations may apply.** Please reference the applicable program regulations and waivers for any limitations or conditions on the use of funds for these activities.

Table 1: General Funding Options for Rental Housing Assistance and Supportive Services Programs

Provides a brief overview of eligible activities—including both direct financial assistance and related supportive services—across several programs allocated through HUD and other federal agencies.

Table 2: Rental Assistance Resources

Provides additional details including targeted population, income requirements, duration of assistance, eligible activities, allocation amount, and expenditure deadlines. This table helps match programs with target populations and the type and duration of assistance needed.

Table 3: Rental Assistance Limitations and Housing Standards

While keeping most programmatic regulations in place, the CARES Act temporarily waives certain regulatory requirements of many federal programs, streamlining administrative processes. The scope and extent of these waivers vary by program, program year, and activity. Regulations that are not specifically suspended or waived remain in full effect. For more detailed information view the [program rules, statutory and regulatory waivers, and alternative requirements applicable to CDBG and CDBG-CV funds](#).

Grantees must amend their Consolidated Plan and/or Action Plan if the use of funds for a rental assistance program was not specifically included in the plan previously.

Table 1: GENERAL FUNDING OPTIONS FOR RENTAL HOUSING ASSISTANCE AND SUPPORTIVE SERVICES PROGRAMS Check program regulations and waivers for specific limitations or conditions on the use of funds for these activities.	Rent	Rent arrears	Utilities	Rental fees or deposits	Cash assistance	Mediation	Legal services	Financial counseling	Childcare	Case management	Housing search
Community Planning and Development (CPD) programs											
CDBG, CDBG-CV	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
CARES Act—Coronavirus Relief Funds (CRF)	✓	✓		✓						✓	✓
ESG, CARES Act ESG (ESG-CV)	✓	✓	✓	✓		✓	✓	✓		✓	✓
HOME Tenant-Based Rental Assistance (TBRA)	✓		✓	✓							
HOPWA, CARES Act HOPWA (HOPWA-CV)	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Sampling of other funding options											
Community Services Block Grant (CSBG)									✓	✓	
Low-Income Home Energy Assistance (LIHEAP-CARES Act)			✓								
Promoting Safe and Stable Families (PSSF)	✓		✓								
Social Services Block Grant (SSBG)	✓		✓						✓	✓	
Temporary Assistance to Needy Families (TANF)	✓	✓			✓				✓	✓	

Table 2: RENTAL ASSISTANCE RESOURCES Check program regulations and waivers for specific limitations or conditions on the use of funds.	<u>CDBG-CV</u>	<u>CDBG</u>	<u>CRF</u>	<u>ESG-CV</u>	<u>HOME TBRA</u>	<u>HOPWA STRMU, STRMU-CV, and STRMU Waiver</u>	<u>HOPWA TBRA</u>	<u>HOPWA Permanent Housing Placement (PHP)</u>
CARES Act allocation	\$5 Billion		\$150 Billion	\$4 Billion		\$65 Million	\$65 Million	\$65 Million
Program summary	Flexible funding to prevent, prepare for, and respond to coronavirus	Flexible programming to address a range of critical community needs and fill funding gaps	Flexible funding to prevent, prepare for, and respond to coronavirus	Short-/medium-term rental assistance to prevent, prepare for, and respond to coronavirus or mitigate the economic impacts of coronavirus	Flexible medium-term rental assistance to individual households to help pay the housing costs of market-rate units	Needs-based rental assistance to maintain housing (a)	Rental assistance to improve housing stability (a)	Housing placement services to help establish permanent residence (a)
Population served (b)	Low- and moderate-income (LMI) individuals and families impacted by coronavirus	LMI individuals and families	Local option	Individuals and families experiencing homelessness or at risk of homelessness	Low-income households seeking housing and households that have housing	Individuals with HIV/AIDS and their families	Individuals with HIV/AIDS and their families	Individuals with HIV/AIDS and their families
LMI requirements	At least 51% at or below 80% area median income (AMI) for each activity; 70% of overall grant funds	At least 51% at or below 80% AMI for each activity; 70% of overall grant funds	Local option	At or below 50% AMI at initial evaluation for homelessness prevention	At or below 80% AMI; at least 90% at or below 60% AMI	At or below 80% AMI	At or below 80% AMI	At or below 80% AMI

Table 2: RENTAL ASSISTANCE RESOURCES Check program regulations and waivers for specific limitations or conditions on the use of funds.	<u>CDBG-CV</u>	<u>CDBG</u>	<u>CRF</u>	<u>ESG-CV</u>	<u>HOME TBRA</u>	<u>HOPWA STRMU, STRMU-CV, and STRMU Waiver</u>	<u>HOPWA TBRA</u>	<u>HOPWA Permanent Housing Placement (PHP)</u>
General eligible activity								
Rent payments	✓ (c)	✓ (c)	✓	✓	✓	✓	✓	✓
Rent arrears	✓ (c)	✓ (c)	✓	✓	✓	✓		✓
Security deposits	✓ (c)	✓ (c)	✓	✓	✓			✓
Utility deposits	✓ (d)	✓ (d)	✓	✓	✓			✓
Utility payments	✓ (d)	✓ (d)	✓	✓	✓ (e)	✓		✓

KEY - See full program regulations and applicable waivers and guidance for full conditions and limitations.

Assistance for this purpose can be provided, subject to any pre-award restrictions. See [CDBG-CV](#), [ESG-CV](#), [HOME COVID-19](#), and [HOPWA CARES Act](#) notices for details.

Additional guidance is available in the [HOPWA Rental Assistance Guidebook](#).

Family is defined in 24 CFR 5.403 and includes one or more eligible persons living with another person or persons, regardless of actual or perceived sexual orientation, gender identity, or marital status. For HOPWA programs, family includes individuals who are determined to be important to the eligible person or person's care or well-being, and the surviving member or members of any family described in this definition who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his or her death. For reporting purposes in CDBG and other programs, the term *household* may be used.

Additional guidance is available in [Using Annual Formula CDBG, FY 2019 and 2020 CDBG to Prevent, Prepare for, and Respond to Coronavirus, and CDBG-CV Funds for Rent or Mortgage and Arrearages Subsistence-Type Payments](#) (March 30, 2021)

Additional guidance is available in [Using CDBG-CV Funds for Emergency Payments to a Public Utility Q&A](#) (December 2020)

Utility costs are included in the calculation of overall assistance provided to the household

Table 3: RENTAL ASSISTANCE LIMITATIONS AND HOUSING STANDARDS Check program regulations and waivers for specific limitations or conditions on the use of funds.	<u>CDBG-CV**</u>	<u>CRF</u>	<u>ESG-CV</u>	<u>HOME TBRA</u>	<u>HOPWA STRMU, STRMU-CV, and STRMU Waiver</u>	<u>HOPWA TBRA</u>	<u>HOPWA PHP</u>
Level of assistance	Necessary and reasonable	Local option	Maximum 100% of housing costs	Max. 100% of housing costs	Max. 100% of housing costs	(a)	(b)
Length of assistance	No more than 6 consecutive months	Local option	Maximum of 12 or 24 months depending on applicability of ESG-CV Notice limitations	Maximum of 24 months (renewable)	Varies by program: STRMU 21 weeks w/ STRMU waiver 52 weeks STRMU-CV 24 months	Permanent Housing	Move-in and up-front costs
Physical housing quality standard inspection	(c)	Local option	Habitability standards apply (e)	(f)		Apply (e)	
Fair market rent analysis	(c)	Local option	Waived	(f)		Apply	
Rent reasonableness analysis	(c)	Local option	Apply	(f)		Apply	
Lead-based paint requirements	(d)	Local option	(e)	(e)	(e)	(e)	
Utility costs	(c)	Local option	N/A	(f)		Apply	

KEY: (**) also applies when FY2019 or FY2020 CDBG funds are used to prevent, prepare for, or respond to COVID-19.

- a) HOPWA TBRA: Rent is the higher of 1) 30% of adjusted monthly household income, 2) 10% of gross monthly household income, or 3) housing costs-portion of welfare rent.
- b) HOPWA PHP: The total of payments associated with the rental security deposit or first/last month's rent should not exceed the value of 2 months' rent.
- c) CDBG program regulations are silent on this topic. Grantees must develop policies and procedures that are consistently applied, promote safe and decent housing conditions, and ensure that expenditures are based on actual costs that are necessary and reasonable.
- d) Lead-based paint requirements ([24 CFR Part 35](#)) apply when provided rental assistance exceeds 100 consecutive days from the point assistance is provided. Virtual inspections are permitted by waiver. Additional guidance is provided in [CDBG-CV Funds for Rent or Mortgage and Arrearages Subsistence-Type Payments](#) (March 30, 2021).
- e) See notices issued for specific programs for further guidance on lead-based paint requirements and when a physical inspection is required.
- f) See CPD memo on the [Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID-19 Pandemic](#) for further guidance.

CARES ACT FLEXIBILITIES AND CONSIDERATIONS FOR CDBG EMERGENCY PAYMENTS PROGRAMS

In addition to allocating supplemental CDBG-CV grants, the CARES Act provides additional flexibilities for the use of FY2019 and FY2020 CDBG entitlement funds when used to prevent, prepare for, or respond to the coronavirus. Specifically, it removes limitations on the use of funds for public services so long as activities can meet the additional requirements described below. This section highlights CARES Act flexibilities and requirements relevant to administering a CDBG emergency rental assistance program.

Emergency Payments for Rent and Utilities as a Public Service Activity

Emergency payments, as well as other services provided to keep individuals and families housed, are considered eligible public service activities under CDBG. CDBG funds can be used to provide emergency payments for current and unpaid rent and utilities as a public service activity on behalf of an individual or family for a period of up to three consecutive months ([24 CFR 570.207\(b\)\(4\)](#)). By waiver, HUD has extended the assistance term to a period of no more than six consecutive months when using CDBG-CV funds and FY2019 and FY2020 formula CDBG funds that prevent, prepare for, or respond to coronavirus.

The emergency payments period begins when the first payment is made, not when the individual's or family's arrearage began. Intermittent assistance may be provided during the emergency assistance period. For example, funds may be used to cover rent or utility arrears incurred by an individual or family. A family may be able to pay their rent or utilities for the following month but need further assistance for subsequent months. This additional assistance is permitted as long as it is within a three- or six-month emergency payments period.

Making an advance payment of rent that is not due until a future month is not an eligible activity as grantees are unlikely to have appropriate documentation in hand demonstrating that the cost is allowable, necessary, and reasonable at the time of advance payment.

Payments must be made to the landlord or utility provider on behalf of an individual or family. Payments *cannot* be made directly to an individual or family in the form of income payments, debit cards, or similar direct income payments.

Income Documentation

For the purposes of income qualification, income must be based on projected income at the time assistance is provided rather than the past 12 months. Records documenting the impact of the coronavirus on an individual requesting assistance can include, for example:

- Verification that the tenant was unable to work due to illness or required dependent care.
- Termination or furlough notice.
- Pay stubs reflecting reduced hours.
- Bank statement reflecting reduced income.
- A late rent notice or eviction notice.

Emergency Rental Assistance Payments

Your rental assistance program can include emergency payments for expenses incurred after the declaration of the national health emergency on January 21, 2020. Eligible rental assistance payments include:

- Past due rent and utilities.*
- Current and future rent and utilities.*
- Security and utility deposits.*
- Similar unpaid expenses.

There is no CDBG or CDBG-CV requirement that an eviction notice be issued to individuals or families to qualify for these payments.

*Under specific conditions, payments may be made to a utility owned by the grantee.

Grantees must have policies and procedures in place to determine that the amount of assistance provided is necessary and reasonable, and must maintain documentation to ensure that all costs incurred are eligible.

Public Services Spending Cap

Typically, the amount of CDBG funds spent on public services each program year may not exceed 15 percent of the current year award plus 15 percent of the prior year’s program income. This annual public services spending cap has been [waived](#) for both CDBG-CV and FY2019 and FY2020 CDBG entitlement grants used for activities that prevent, prepare for, and respond to coronavirus.

Prevent, Prepare for, and Respond to Coronavirus

The purpose of the CARES Act is to help communities address the social, health, and economic impacts of the COVID-19 pandemic. Grantees must document how the activity prevents, prepares for, or responds to coronavirus when using CDBG-CV or when using FY2019 and FY2020 annual CDBG funds for which they want to use waiver flexibility. Documentation should be included at the program level (including the selection of households and eligibility criteria) and at the client level.

For rental assistance, the requirement that the funds must prevent, prepare for, or respond to coronavirus must be met for each assisted family. A family may be eligible for assistance to “respond to” COVID-19 if the family has experienced income loss due to coronavirus, resulting in the inability to pay rent. Alternatively, assistance may be provided to “prevent” or “prepare for” coronavirus if the assistance is necessary for a family to maintain its housing and stay safe and healthy, thereby reducing the risk of exposure to and further spread of the virus. Consideration should be given to whether other safeguards such as eviction moratoriums are in effect in the community.

Individuals and families receiving rental assistance are required to repay any payment made on their behalf to their landlord that is in excess of their identified need due to a duplication of benefits.

Grantees are encouraged to ask about other forms of assistance when families apply for assistance and to include a statement acknowledging the tenant’s understanding of the duplication of benefits prohibition and agreeing to repay any assistance that was duplicated in their rental assistance application forms.

See [Using CDBG and CDBG-CV to Support Pandemic Recovery](#) for additional guidance.

National Objective

- Each CDBG activity must meet a CDBG national objective. Most CDBG grantees will qualify an emergency payment program for rental assistance by demonstrating that at least 51 percent of beneficiaries are LMI under the limited clientele national objective category. Recipients of emergency payments must be qualified at the family level.
- A minimum of 70 percent of a grantee’s total allocated CDBG-CV funds must be spent on activities that meet the CDBG national objective of benefitting LMI people.
- In some cases, emergency payment activities for rental assistance may qualify as addressing an urgent need. Grantees must certify that they are unable to finance the activity on their own and that other funding sources are not available. Additional guidance can be found in Section III of [Notice of Program Rules, Waivers, and Alternative Requirements under the CARES Act](#).

The [Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities](#) provides additional information on determining national objectives.

Duplication of Benefits

The Stafford Disaster Relief and Emergency Assistance Act, as amended, prohibits the duplication of benefits when providing financial assistance on behalf of an individual or family using federal funds when other assistance has already been provided or will be provided for the same purpose, regardless of the funding source. The CARES Act includes a similar provision for CDBG-CV funds.

This is a significant requirement to consider when selecting funding sources and designing and implementing your program. You must have procedures in place to ensure that program funds are not distributed for activities financed by another public or private source. See [CDBG-CV Duplication of Benefits Quick Guide](#) and [CDBG Coronavirus Response Grantee Resources Related to Preventing Duplication of Benefits](#) for further details.

Program Timing

Regulations governing the amount and timing of pre-award costs have been modified to allow up to the entire allocation of your CDBG-CV funds to be used for pre-award costs and to allow pre-award costs to be reimbursed back to January 21, 2020, if needed. However, note that other federal pre-award requirements remain, including but not limited to the need to complete an environmental assessment and release funds prior to disbursing funds, which can impact the timing of the implementation of your rental assistance activities. Detailed information about the waived pre-award cost regulations are included in Section III.B.5.(b) of the [Notice of Program Rules, Waivers, and Alternative Requirements](#).

Grantees have up to six years from the date of the grant agreement for the first allocation of CDBG-CV funds to expend their full CDBG-CV allocation. Eighty percent of CDBG-CV grant funds must be expended within three years of the initial grant agreement date.

Lead-Based Paint (LBP) Regulations

The [Lead Safe Housing Rule \(LSHR\)](#) requirements apply to CDBG-funded rental assistance payments for pre-1978 units where children under age six or pregnant women reside. The requirements of subpart K (visual assessment, paint stabilization, and maintenance) do not apply for emergency rental assistance limited to 100 days.

The 100-day emergency grace period starts at the time of the first payment. If the emergency assistance period is expected to exceed 100 days, a visual lead-based paint inspection is required. Further guidance on the calculation of the 100-day grace period is provided in [CDBG-CV Funds for Rent or Mortgage and Arrearages Subsistence-Type Payments](#).

Due to coronavirus, it may not be possible to do an onsite visual inspection. In this case, the owner(s) or a surrogate may perform a remote visual inspection. Grantees are encouraged to develop policies and procedures that describe how their program will meet these requirements and provide the necessary documentation. Additional guidance has been issued by the [Office of Lead Hazard Control and Healthy Homes \(OLHCHH\)](#). Free [visual assessment training](#) for grantees is available online.

Regardless of any applicable exemptions, tenants must always be provided the pamphlet [“Protect Your Family from Lead in Your Home”](#) and the required [disclosure form](#).

Documentation and Reporting

HUD encourages reporting on beneficiaries and performance in the Integrated Disbursement and Information System (IDIS) quarterly (at the same time as the required SF425 financial submission). Public services beneficiary data must be reported at least annually for each CDBG and CDBG-CV activity. Select “yes” next to the “Is this activity to prevent, prepare for, and respond to coronavirus?” field when setting up the activity. Emergency payments accomplishments may be reported under a single IDIS activity for each eligible activity category (matrix code).

IDIS Activity Matrix Codes and Reporting

Emergency assistance payment activities should be set up using the Subsistence Payments (05Q) matrix code—a one-time or short-term emergency payment made on behalf of an individual or family for the purpose of preventing homelessness.

Matrix codes for other supportive rental assistance service activities include:

- Security Deposits (05T)
- Tenant/Landlord Counseling (05K)
- Fair Housing Activities (05J)
- Housing Information/Referral Services (05X)

For subsistence payments qualified under a limited clientele (LMC) national objective, report the number of individual family members benefiting in IDIS.

CARES Act-funded activities will require a quarterly report submission and other reporting requirements as described in Section III.B.8. of [Program Rules, Waivers, and Alternative Requirements Under the CARES Act for CDBG-CV Grants, FY 2019 and 2020 CDBG Grants, and for Other Formula Programs](#).

Clarifying Guidance on Regulatory Waivers and Alternative Requirements

To ensure compliance with federal regulations, review both the requirements and the waivers issued for a specific program before finalizing your emergency payments program. Links to general program resources and the notices issued by HUD are included below.

OTHER USEFUL RESOURCES

- [CARES Act—Coronavirus Relief Fund](#)
- [FR-6218-N-01: Notice and FAQs: Program Rules, Waivers, and Alternative Requirements Under the CARES Act for CDBG-CV Grants, FY 2019 and 2020 CDBG Grants, and for Other Formula Programs](#)
- [COVID-19 Administrative Relief and the Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#)
- [COVID-19 Information and Resources](#)
- [Homelessness Prevention and Rapid Rehousing Program](#)
- [Homeless System Response: Homelessness Prevention: Effective and Efficient Prevention Programs](#)
- [CPD Flexibilities/Waivers Granted by the CARES Act + Mega Waiver and Guidance](#)
- [Federal Funding Priority Order for Noncongregate Shelter During COVID-19 \(June 23, 2020\)](#)
- [CDBG-CV Funds for Rent or Mortgage and Arrearages Subsistence-Type Payments](#)
- [Using CDBG-CV Funds for Emergency Payments to a Public Utility Q&A](#)

QUESTIONS

Specific questions about how the CDBG-CV program can be used to assist individuals and households should be directed to your CDBG field representative or HUD Exchange Ask A Question.

ACKNOWLEDGEMENT OF SUPPORT AND DISCLAIMER

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