

U.S Department of Housing and Urban Development Summary of Primary CDBG Activity Categories to Support Coronavirus

Primary Activities That Can Be Used to Prevent, Prepare for, and Respond to Coronavirus in the Community Development Block Grant Program		
<ul style="list-style-type: none"> • Time Period For Activities: Grantees must complete all activities and expend all funds during the period of performance of the grant. Grantees may reimburse allowable costs incurred before the period of performance. • Geographic Areas Served: Activities must benefit residents within the jurisdiction of the grantee or as permitted by the CARES Act. • Eligible Grantees: States, Metropolitan Cities, Urban Counties, and Insular Areas. The funding is a block grant. HUD makes allocations based on a formula and enters into grant agreements. HUD provides funds in a line of credit to the grantee. Recipient makes funding decisions to decide which activities to assist. Recipient may use its own staff, make a sub-grant, or procure a contractor. In some cases, a recipient may select a developer to carry out an activity. • Program objectives: 70 percent of all grant funds must benefit persons of low- and moderate-income. All CDBG activities must meet one of three national objectives of the program. • Form of assistance: Grantees can choose the form of assistance. Assistance for public services is typically provided as a grant. For other activities, grantees commonly assist activities through grants, loans, loan guarantees, reserve funds, or other mechanisms. • Major Cross-cutting Requirements: Environmental Review, Uniform Relocation Act, Financial Management, Labor Standards, Civil Rights and Equal Opportunity 		
Public Service Activities	Typical National Objectives	Additional Detail
<ul style="list-style-type: none"> • Operating Costs of Homeless/Aids Patients Programs • Senior Services • Services for Persons with Disabilities • Legal Services • Youth Services • Substance Abuse Services • Services for victims of domestic violence, dating violence, sexual assault or stalking • Employment Training • Crime Awareness/Prevention • Fair Housing Activities • Tenant/Landlord Counseling • Child Care Services • Health Services 	<p>Low- and moderate- income (LMI) persons, families, clientele, or area; prevent or eliminate blight; meet unfunded, urgent local need</p>	<p>Grantee may provide a new or increased level of a public service. All activities must result in achievement of a CDBG national objective, typically by providing services to an LMI clientele or to LMI persons residing in a qualified area.</p>

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<ul style="list-style-type: none"> • Abused and Neglected Children • Mental Health Services • Screening for Lead-Based Paint/Lead Hazards Poisoning • Subsistence Payments • Security Deposits • Food Banks • Housing Information and Referral Services • Housing Counseling 		
Housing-Related Activities (Mostly Housing Preservation)	Typical National Objectives	Additional Detail
<ul style="list-style-type: none"> • Rehabilitation: Single and Multi-Unit Residential • Construction of Housing (limited) • Direct Homeownership Assistance • Housing Counseling • Public Housing Modernization • Energy Efficiency Improvements • Rehabilitation Administration • Lead-Based Paint/Lead Hazard Test/Abatement • Code Enforcement 	<p>LMI households; prevent or eliminate blight; meet unfunded, urgent local need</p>	<p>Grantee may rehabilitate or reconstruct or convert structures, provide homeownership assistance, and housing counseling. Includes all activity costs such as applicant intake, construction specs and procurement, and construction. All activities must result in achievement of a CDBG national objective, typically by providing housing to an LMI household.</p>
Public Improvements and Facilities	Typical National Objectives	Additional Detail
<ul style="list-style-type: none"> • Senior Centers • Facility for Persons with Disabilities 	<p>LMI households; prevent or eliminate blight; meet unfunded, urgent local need</p>	<p>Grantee may acquire, construct, reconstruct, or rehabilitate a public facility or improvement. All activities must result in achievement of a CDBG national objective, typically by providing access to a facility or improvement to an LMI clientele or to LMI</p>

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<ul style="list-style-type: none"> • Homeless Facilities (not operating costs) • Youth Centers/Facilities • Neighborhood Facilities • Parks, Recreational Facilities • Parking Facilities • Solid Waste Disposal Facilities • Flood and Drainage Facilities • Water/Sewer Improvements • Sidewalks • Child Care Centers • Fire Stations/Equipment • Health Facilities • Removal of Architectural Barriers 		<p>persons residing in a qualified area.</p> <p>Duplications: Start by looking for possible federal duplications with: FEMA Disaster Relief Fund and Public Assistance, Treasury Coronavirus Relief Fund, USDA programs; local duplications with previously committed and available financial resources.</p>
Activities to Acquire Real Property	Typical National Objectives	Additional Detail
<ul style="list-style-type: none"> • Acquisition of Property • Disposition • Clearance and Demolition • Clean-up of Contaminated Sites/Brownfields • Relocation 	<p>Low- and moderate- income (LMI) persons, families, or area; prevent or eliminate blight; meet unfunded, urgent local need</p>	<p>Grantee may buy, clean up, demolish, dispose of, and relocate occupants from a property for a public purpose.</p>
Economic Development Activities	Typical National Objectives	Additional Detail
<ul style="list-style-type: none"> • Rehabilitation: Publicly or Privately Owned Commercial/ Industrial • Commercial/Industrial Land Acquisition/ Disposition • Commercial/Industrial Infrastructure Development • Commercial/Industrial Building Acquisition, Construction, Rehabilitation • ED Direct: Financial Assistance to For-Profit Businesses 	<p>Low- and moderate- income (LMI) persons, families, or area; businesses providing LMI jobs or services; prevent or eliminate blight; meet unfunded, urgent local need</p>	<p>Grantee may assist commercial or industrial activities or provide direct financial or technical assistance to for profit businesses. All activities must result in achievement of a CDBG national objective, typically by creating or retaining permanent LMI jobs or serving an LMI area. Project examples range from working capital loans, to neighborhood store expansion, to construction of railheads and seaports.</p>

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<ul style="list-style-type: none"> • ED Direct: Technical Assistance • Micro-Enterprise Assistance 		
General Administrative and Planning Activities (20% cap)	Typical National Objectives	Additional Detail
<ul style="list-style-type: none"> • General Program • Administration • Indirect Costs • Public Information and Consultation • Planning and Capacity Building 	NA for Admin; usually LMI for planning.	<p>Grantee may administer CDBG grants and undertake project, functional, environmental, capacity building, and neighborhood plans, including plans for pandemic prevention, preparation, and response in LMI areas.</p> <p>Up to 20 percent of a grant may be used for Planning and Admin costs (within the 20%, States are capped at 3% for their own costs or providing technical assistance). Absent a statutory waiver, states pass-through funds to non-entitled units of general local governments.</p>

Background: The Community Development Block Grant Program(CDBG) provides funds to approximately 1250 States, entitlement cities and urban counties under the Housing and Community Development Act of 1974, as amended. State CDBG grantees pass the funds through to non-entitlement units of general local government. HUD establishes broad guidelines and sets national objectives for CDBG activities. Grantees determine which activities to fund after consultation with program stakeholders and citizens, set local community development objectives and submit an Action Plan for HUD review. Grantees may amend their Action plans.

The CDBG program provided \$3.4 billion in annual grants by formula in FY2020. CARES Act CDBG-CV funding provides an additional \$5 billion, also to be distributed by formula. At least 70 percent of every grant must be expended for activities that benefit low- and moderate-income persons by providing housing, a permanent job, a public service, or access to new or significantly improved infrastructure. The remaining 30 percent may be used to eliminate slum or blighted conditions, or to address an urgent need for which the community certifies it has no other funding.

NOTE ON NON-FEDERAL COST SHARE AND MATCH: CDBG and CDBG-CV funds may, by statute, be the non-federal cost share or match for FEMA and other federal funding if the assisted activity is also CDBG eligible. When the Stafford Act duplication of benefit provisions apply, a grantee must use CDBG to address needs not met by other sources.

This is a summary document. It is provided for informational purposes and does not describe all program requirements. For more information about how CDBG grants can be used to prevent, prepare for, and respond to coronavirus, please visit: https://www.hud.gov/program_offices/comm_planning/cdbg_programs_covid-19 . For more information about the CDBG program, please visit <https://www.hudexchange.info/programs/cdbg/>