

## CARES Act Flexibilities for CDBG Funds Used to Support Coronavirus Response

April 9, 2020

President Trump has signed *The Coronavirus Aid, Relief and Economic Security Act* (CARES Act). The CARES Act:

- Makes available \$5 billion in supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV grants);
- Provides flexibilities for CDBG grantees to make it easier to use CDBG-CV grants and fiscal years 2019 and 2020 CDBG grants for coronavirus response and authorizes HUD to grant waivers and alternative requirements;
- Requires CDBG-CV grantees to prevent the duplication of benefits, which means grant funds may not be used to pay costs if another source of financial assistance is available to pay that cost.

HUD will publish a Federal Register notice describing the requirements for CDBG-CV grants. The notice will also include waivers and alternative requirements for CDBG-CV and fiscal year 2019 and 2020 CDBG grants. A grantee may submit a CDBG-CV action plan substantial amendment to its most recent accepted CDBG action plan for the first CDBG-CV allocation before the notice is published. To apply for CDBG-CV grants, grantees may follow existing regulatory requirements for a substantial amendment to the grantee's action plan that describes the amount of CDBG-CV funds available in the first allocation and planned use of funds, in accordance with existing requirements and the flexibilities in the CARES Act, summarized below. HUD will publish a Q&A document with further information on this process.

Grantees may use CDBG-CV and CDBG funds for a range of activities to prevent, prepare for, and respond to coronavirus. For examples, see the [Quick Guide to CDBG Activities for Infectious Disease Response](#).

### Summary of CARES Act Provisions for Coronavirus Response With CDBG-CV and CDBG Grants

<i>For more information, refer to applicable sections of the CARES Act, Housing and Community Development Act of 1974 (for State CDBG Grantees) and CDBG regulations (for Entitlement CDBG grantees).</i>			
<i>Description of Program Flexibility</i>	<i>Applicability to CDBG-CV and CDBG Grants</i>		
<b>Public Service Activities</b>			
Eliminates the 15 percent cap <sup>1</sup> on the amount of grant funds that can be used for public services activities.  <i>Following enactment, the cap in section 105(a)(8) of the HCD Act and 24 CFR 570.201(e) has no effect on CDBG-CV grants and no effect on FY 2019 and 2020 CDBG grant funds used for coronavirus efforts.</i>	CDBG-CV	Immediately Available	✓
	CDBG FY 19 and FY 20 Grants	Immediately Available	✓
	CDBG Grants before FY 19		Not Available ✗
<b>Reimbursement of Costs</b>			
Provides that grantees may use CDBG-CV grant funds to cover or reimburse costs to prevent, prepare for, and respond to coronavirus incurred by a State or locality, regardless of the date on which such costs were incurred, when those costs comply with CDBG requirements. <i>For other grants, pre-agreement and pre-award cost authority is available under 24 CFR 570.489(b) (states) and 570.200(h) (entitlements).</i>	CDBG-CV	Immediately Available	✓
	CDBG FY 19 and FY 20 Grants		See current regulations. ✗
	CDBG Grants before FY 19		See current regulations. ✗

<sup>1</sup> Section 105(a)(8) of the Housing and Community Development Act of 1974, provides a different percentage cap for some grantees.

<i>Description of Program Flexibility</i>	<i>Applicability to CDBG-CV and CDBG Grants</i>		
<b>Citizen Participation and Public Hearings for Consolidated Plans (including Action Plans)</b>			
<p>Provides that grantees may amend citizen participation plans to establish expedited procedures to draft, propose, or amend consolidated plans. Expedited procedures must include notice and reasonable opportunity to comment of no less than 5 days. The 5-day period can run concurrently for comments on the action plan amendment and amended citizen participation plans.</p> <p>In-person public hearings are not required. Grantees may meet public hearing requirements with virtual public hearings if: 1) national/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and 2) virtual hearings provide reasonable notification and access for citizens in accordance with the grantee's certifications, timely responses from local officials to all citizen questions and issues, and public access to all questions and responses.</p>	CDBG-CV	Immediately Available ✓	
	CDBG FY 19 and FY 20 Grants	Immediately Available ✓	
	CDBG Grants before FY 19		Not Available ✗
<b>Deadline to Submit Consolidated Plans (including Annual Action Plans)</b>			
<p>Extends the deadline for grantees to submit action plans and other updates to their consolidated plans submissions for fiscal years 2019* and 2020 to August 16, 2021.</p> <p><i>Without extension, the deadline for fiscal year 2020 grants would be August 16, 2020, in accordance with section 116(b) of the HCD Act and 24 CFR 91.15.</i></p> <p><i>*The deadline for fiscal year 2019 passed on August 16, 2019 (plans due then have been submitted).</i></p>	CDBG-CV	Immediately Available ✓	
	CDBG FY 19* and FY 20 Grants	Immediately Available. ✓	
	CDBG Grants before FY 19		Not applicable. ✗
<b>Waiver and Alternative Requirement Authority</b>			
<p>Authorizes the Secretary to issue statutory and regulatory waivers/alternative requirements for CDBG-CV and some CDBG funds when necessary to expedite or facilitate the use of grant funds to prevent, prepare for, and respond to coronavirus.</p> <p>Prohibits waivers/alternative requirements related to fair housing, nondiscrimination, labor standards, and the environment.</p> <p><i>HUD has additional regulatory waiver and statutory suspension authorities that it may use for CDBG Grants before fiscal year 2019 if necessary.</i></p>	CDBG-CV	Immediately Available ✓	
	CDBG FY 19 and FY 20 Grants	Immediately Available. ✓	
	CDBG Grants before FY 19		Not applicable. ✗

Submit your questions to: [CPDQuestionsAnswered@hud.gov](mailto:CPDQuestionsAnswered@hud.gov)