

## CDBG-DR COVID-19 Fact Sheet

March 20, 2020

Updated: July 24, 2020

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On March 13, 2020, the President declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to section 501 (b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the “Stafford Act”) and he has since provided major disaster declarations for certain areas pursuant to section 401 of the Stafford Act. This fact sheet provides information to Community Development Block Grant Disaster Recovery (CDBG-DR), CDBG National Disaster Resilience (CDBG-NDR), and CDBG Mitigation (CDBG-MIT) grantees on flexibilities HUD is granting on timelines, eligible activities, and citizen participation as communities work to prevent and respond to the spread of COVID-19.

### FAQs

#### Use of CDBG-DR Grant Funds and Program Income for COVID-19 Recovery

#### **Q1: Can a CDBG-DR grantee use its allocation of CDBG-DR funds to address the COVID-19 pandemic?**

A: No. CDBG-DR appropriations typically provide funds to grantees for necessary expenses related to disaster relief, long term recovery, restoration of infrastructure and housing, and economic revitalization, and more recently mitigation, in the most impacted and distressed areas resulting from a major disaster (disasters declared by the President pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)). CDBG-DR appropriations also place limitations on the award and use of CDBG-DR funds by directing funds to particular recipients and geographic areas in response to certain eligible events. Using funds for disasters that are outside of the years or events cited in the respective appropriations acts is prohibited. Currently, there are no CDBG-DR appropriations or allocations of CDBG-DR funds to address the COVID-19 national emergency or disaster.

#### **Q2: Can a CDBG-DR grantee use program income generated by its CDBG-DR activities for the COVID-19 pandemic?**

A: Generally, yes. *Federal Register* notices published for CDBG-DR grants generally allow CDBG-DR grantees to transfer program income at any point to their annual CDBG program. CDBG-DR grantees identified as “State grantees” in applicable *Federal Register* notices, may also transfer program income prior to closeout to a unit of general local government or Indian tribe within their geographic area. When CDBG-DR program income is used for CDBG activities, the waivers and alternative requirements applicable to the CDBG-DR grant no longer apply. Instead, the funds are subject to the requirements for the use of CDBG funds

under the regular, applicable CDBG program rules. Grantees should consult the applicable *Federal Register* notices for any variations in the use of program income.

#### Extensions Issued on Required Grantee Submissions

### **Q3: Will submission dates for CDBG-MIT action plans and Financial Management and Grant Compliance Certifications be extended due to COVID-19 pandemic?**

A: Yes. For grantees that received allocations under the CDBG-MIT *Federal Register* notices (84 FR 45838 (Main Notice), 84 FR 47528 (USVI), and 85 FR 4676 (PR)), HUD has established the necessary flexibility in those notices to authorize grantees to submit a request for an extension of the action plan submission and certification deadlines. HUD has previously approved several grantee extensions of these deadlines.

HUD is now authorizing a 90-day extension of the established deadline for all CDBG-MIT action plan and Financial Management and Grant Compliance Certification submissions due to the COVID-19 pandemic. If a grantee has received a prior extension approval from HUD, this 90-day extension will be added to the approved extended deadline. For example, if a CDBG-MIT grantee had requested an extension to May 4, 2020 for its action plan submittal and was given a due date of April 4, 2020 for its certifications, those deadlines are now extended an additional 90 days. The new deadlines under this example would be August 2, 2020 for the action plan and July 3, 2020 for the certifications.

Grantees should consult the applicable *Federal Register* notice for their specific action plan submission dates or HUD approval letters if extensions were granted.

### **Q4: Will submission dates for CDBG-DR action plans and Financial Management and Grant Compliance Certifications be extended due to the COVID-19 pandemic?**

A: Yes. For grantees who received allocations for 2018 or 2019 disasters, or for 2017 unmet infrastructure needs under the January 27, 2020 *Federal Register* notice (85 FR 4681), HUD is granting additional flexibility.

The notice states that each grantee must submit the Financial Management and Grant Compliance certifications and Pre-Award Implementation Plan pursuant to section VI.A.I of the February 9, 2018 notice not later than 60 days after the applicability date of the notice.

HUD is authorizing a 90-day extension for action plan and Financial Management and Grant Compliance Certification submission deadlines due to the COVID-19 pandemic. Given the applicability date of the notice, the new deadline for action plan submission is August 31, 2020 and new deadline for certifications is July 2, 2020. **The new deadline for substantial action plan amendments for 2017 unmet infrastructure needs is August 1, 2020.**

**Highlighted portion has been updated below – see Q10. Posted on July 24, 2020.**

**Q5: Will there be an extension for the submission of the CDBG-DR or National Disaster Resilience (NDR) Grantee’s Quarterly Performance Reports (QPR’s)?**

A: Yes. HUD is authorizing a 90-day extension for all CDBG-DR and NDR grantees QPR submissions due to the COVID-19 pandemic. Each grantee should notify the assigned CPD Specialist if they intend to submit the QPR later than the deadline listed in the Disaster Recovery Grant Reporting (DRGR) system.

**Q6: Some CDBG-DR grantees are required to upload supporting documentation for each DRGR voucher and all DRGR grantees are required to upload supporting documentation for drawdowns that exceed the drawdown threshold. How can grantees subject to this requirement, with staff working outside of their normal office location because of COVID-19, continue to access funds if they do not have access to the supporting documents?**

A: CDBG-DR grantees who are required to submit supporting documentation for vouchers in DRGR, but do not have ready access to the required documents due to the COVID-19 pandemic, should notify their CPD Specialist as soon as possible and request additional time to provide the supporting documentation. HUD is prepared to allow these grantees to provide the documentation within a reasonable time period to complete the draw transaction. However, grantees are reminded that adequate source documentation is a requirement for costs to be allowable under a federal award (2 CFR 200.403).

Request for Release of Funds (RROFs)

**Q7: Can CDBG-DR grantees continue to submit Request for Release of Funds (RROFs) to HUD to receive Authorization to Use Grant Funds (AUGF)?**

A: Yes. Grantees should submit all applicable documentation to [disaster\\_recovery@hud.gov](mailto:disaster_recovery@hud.gov) and the HUD CPD Specialist. Grantees may submit the RROF to HUD via email in two ways:

- If the grantee has access to a printer and scanner (or scanner via a smartphone app), the grantee may submit the paper signature by the Certifying Officer on the emailed version of the RROF form; or
- Grantees may submit an E-signature by the Certifying Officer on a PDF version of the RROF form. Grantees may need to work with their local IT departments to create and implement an e-signature.

HUD will issue the AUGF via email to the grantee.

Public Hearings for CDBG-MIT grantees

**Q8: Is there guidance from HUD on changes to public participation/hearing requirements? May grantees suspend the onsite public participation hearings for an action plan?**

A: Yes. For CDBG-MIT grantees only, if a grantee is concerned about significant public health risks that may result from holding in-person public hearings, CPD is interpreting public hearings in the context of the CDBG-MIT *Federal Register* notice to include virtual public hearings (alone, or in concert with an in-person hearing) if it allows questions in real time, with answers coming directly from the elected representatives to all “attendees.” HUD understands the exigencies of a public health challenge and will work with grantees who make the effort to comply with citizen participation requirements and documents their efforts.

Whether hearings are in-person or virtual, a grantee must take appropriate steps to ensure effective communication with persons with disabilities consistent with the requirements of accessibility laws, such as Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. The grantee must provide appropriate auxiliary aides and services that are necessary to afford individuals with hearing and vision impairments an equal opportunity to access and participate in such hearings. These may include effective methods that make aurally delivered information available to individuals who are deaf or hard of hearing, and visually delivered materials available to individuals who are blind or have low vision. The type of auxiliary aid or service necessary to ensure effective communication will vary in accordance with the method of communication used by the individual; the nature, length, and complexity of the communication involved; and the context in which the communication is taking place. In determining what types of auxiliary aids and services are necessary, a public entity shall give primary consideration to the requests of individuals with disabilities. In order to be effective, auxiliary aids and services must be provided in accessible formats, in a timely manner, and in such a way as to protect the privacy and independence of the individual with a disability.

For virtual hearings, such steps will include ensuring that information is provided on an accessible website, that e-mails and other digital notifications are accessible, and that the application or platform used to host the hearing must also be accessible. Additional services such as audio description or captioning may also be needed to provide effective communication in a digital context. Helpful guidelines for ensuring the accessibility of web-based and digital materials are available through the World Wide Web Consortium’s Web Accessibility Initiative at <https://www.w3.org/WAI/>. Examples of auxiliary aids and services that may be necessary when conducting hearings online can be found at 28 C.F.R. § 35.104. If no method of conducting a virtual hearing is available that appropriately accommodates an individual’s disability, the grantee may not hold against the individual his or her inability to participate in the hearing, and an in person hearing may be scheduled for a later date.

The grantee must also take reasonable steps to provide meaningful access to persons with limited English proficiency consistent with Title VI of the Civil Rights Act and *Lau v. Nichols*, 414 US 563 (1974). To ascertain its obligations, the grantee should conduct the four-factor analysis set forth in [HUD’s LEP guidance](#), which may be covered by the grantee’s Language Assistance Plan, recognizing that the use of the internet to conduct such a hearing may change the analysis. For virtual or online hearings, such services may also include translation of documents and captioning or interpretation in the appropriate

language(s). More information on the four-factor analysis and other requirements can be found in [HUD's LEP guidance](#).

**FAQ added May 4, 2020 – highlighted portion updated July 24, 2020**

**HUD Monthly Financial Reporting**

**Q9: During the COVID-19 National Emergency, will HUD continue to publish the Monthly CDBG-DR Grant Financial Report which categorizes grantee spending status as on pace, first year or slow spender?**

A: No. Due to the COVID-19 National Emergency, HUD recognizes that some grantees may experience a related decrease in their CDBG-DR expenditures. The National Emergency is likely to make it difficult for these grantees to continue certain recovery activities at their prior pace, including construction, applicant intake, and permitting. HUD will accordingly suspend publication of the Monthly CDBG-DR Grant Financial Report at this time. **Instead, HUD will publish a Monthly CDBG-DR Grant Expenditure Report that will allow HUD and the public to review grantee expenditures.** HUD will continue to evaluate the impacts of the COVID-19 National Emergency on grantee expenditures to determine when it will be appropriate to resume publication of the Monthly CDBG-DR Grant Financial Report. HUD encourages all CDBG-DR grantees to continue to implement recovery programs on-pace to the extent possible. HUD will resume publication of the Monthly CDBG-DR Grant Financial Report once conditions have improved enough to warrant it.

**FAQ added July 24, 2020**

**Q10 (Updated Q4): Will submission dates for CDBG-DR substantial action plan amendments be further extended due to the COVID-19 pandemic?**

A: Yes. At the request of several grantees, HUD is authorizing an additional 30-day extension for substantial action plan amendments for 2017 unmet infrastructure needs to give grantees the additional time needed to prepare the required documents and data. The new deadline for substantial action plan amendments for 2017 unmet infrastructure needs is August 31, 2020.