



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

MEMORANDUM FOR: All Fiscal Year 2019 and 2020 CDBG and CDBG-CV Grantees
and All CPD Field Office Directors

FROM: John Gibbs, Acting Assistant Secretary, D

SUBJECT: Community Development Block Grant Coronavirus Response
Grantee Resources Related to Preventing Duplication
of Benefits

This memorandum and attachments provide grantees and HUD field offices with initial technical assistance resources to support the use of \$5 billion in Community Development Block Grant Coronavirus Response (CDBG-CV) funds. The Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act) authorized this funding for grants to prevent, prepare for, and respond to coronavirus. Please note that this document is the first in a series of guidance and technical assistance resources the Department intends to make available to assist grantees in preventing Duplication of Benefits (DOB).

Based on the Department's previous experiences launching large-scale programs in response to economic emergencies and major disasters, HUD anticipates that this memorandum and the attached resources will assist grantees as they partner with nonprofits, public agencies, and other entities. When choosing which activities to carry out with CDBG-CV funds, grantees should consult with other entities working on coronavirus-related efforts to avoid DOB and to develop innovative solutions to this complex national emergency.

Background:

The CARES Act provides that the Secretary shall ensure there are adequate procedures in place to prevent any DOB as required by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 132 Stat. 3442). HUD is requiring that each grantee have procedures to prevent the duplication of benefits when it provides financial assistance with CDBG-CV funds.

Federal disaster law prohibits the provision of federal assistance in excess of need. Before paying a cost with federal disaster assistance, a Federal agency must check to see that the assistance will not cause a duplication of benefits, meaning that the cost has not or will not be paid by another source. HUD grantees are required to prevent the duplication of benefits when carrying out HUD-funded programs to provide disaster assistance.

Knowing the other sources of assistance that may be available to pay for coronavirus-related needs can help grantees prevent duplication of benefits in two ways. First, it helps grantees design

programs that target needs that are unlikely to be addressed by other sources. Second, it helps grantees know which sources of assistance it needs to look for when completing a duplication of benefits check before providing assistance to individuals, households, and entities.

Several communities have asked whether they can assist an activity using more than one funding source because a grantee may need more than one funding source for an activity to meet all local needs. In response, HUD advises that providing CDBG-CV assistance is not prohibited to meet needs that remain after considering other financial assistance for an activity. Not only the amounts of assistance, but also timing of funding availability from various sources may also be a consideration. HUD urges grantees to strategically consider the appropriate uses of available funding sources for the same or similar purposes.

Communities have also asked about the treatment of private, unsubsidized loans in considering DOB. Note that, generally, private unsubsidized loans are not considered a DOB for this purpose.

Resources:

CDBG Primary Activities Table. This resource is for a grantee's stakeholders and partners. It is a summary table designed primarily for entities and individuals who are unfamiliar with the CDBG program. The table will help CDBG-CV grantees explain the range of possible uses of CDBG-CV funds when working with other funders and leaders seeking to identify possible DOB and to design procedures to avoid them. This document summarizes eligible grantees, HUD's allocation of funds, and key program requirements. It lists the most likely types of activities grantees will carry out with CDBG-CV and highlights the primary objective to benefit low- and moderate-income persons.

Federal Coronavirus Resources Table. This resource is also for grantee decision-makers and staff. The table summarizes other Federal coronavirus-related resources (primarily those funded under the CARES Act). Increased awareness of other sources of assistance that may be available to pay for coronavirus-related needs can help grantees prevent DOB in two ways. First, it helps grantees design programs to target needs that are unlikely to be addressed by other sources. Second, it helps a grantee consider sources of assistance it may need to look for when completing a DOB check before providing assistance to individuals, households, and entities. Building grantee awareness of other sources of assistance available for coronavirus-related needs will encourage the design of CDBG-CV funded activities that strategically target unmet needs and funding gaps.

Webinars and additional technical assistance planned. In addition to the attached initial resources, HUD will provide more specific information about how to comply with this CARES Act requirement, beginning with a DOB webinar for all CDBG-CV grantees covering the attached resources, followed by additional technical assistance in the form of Frequently Asked Questions (FAQs), follow-up webinars, and other resources covering the process of preventing DOB.

One key planned resource will be for grantee decision-makers and staff. It will summarize principles guiding consideration of DOB under CDBG-CV. This will help grantees understand the basic DOB framework and give grantees a better understanding of how to align their local policies

and procedures to prevent DOB.

Grantees may direct questions to their assigned field office. Email inquiries to CPDQuestionsAnswered@hud.gov will continue to receive individual replies and guidance. HUD will also batch questions and responses and periodically make them available as FAQs. Additional resources will continue to be posted to <https://www.hud.gov/coronavirus/grantees> and to www.hudexchange.info/programs/cdbg/disease/.

Thank you for the work you and your staff do with our communities in the fight against the coronavirus.

Attachment(s)