

The following question and answer provides guidance to State CDBG-CV grantees on the "nonentitlement set aside" as required by III.B.6.(b)(i) of FR-6218-N-01: Notice 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.

Q: Can a state carry out activities on a non-entitlement unit of general local government's behalf using a non-entitlement's CDBG-CV funds under the set-aside? If so, how?

Yes; a nonentitlement unit of general local government (UGLG) may permit a state to use the UGLG's CDBG-CV funds to carry out activities for the UGLG to prevent, prepare for and respond to coronavirus that benefit the residents of the UGLG. The CDBG-CV Notice, FR-6218-N-01 requires that "[a] state must set aside a portion of its grant for use by nonentitlement units of general local government." To satisfy this requirement for use by the UGLG, the UGLG may carry out activities directly or request that the state carry out activities on its behalf. The UGLG must follow local citizen participation requirements, as modified by the Notice, including furnishing citizens with the range of activities that may be undertaken with the CDBG-CV funds, pursuant to 24 CFR 570.486. That range of activities would include activities available to the UGLG in the method of distribution (MOD) of the state's annual action plan. To make this possible, the state's MOD should include the option for an UGLG to request that the state carry out activities benefitting the residents of the UGLG by using CDBG-CV funds on the UGLG's behalf.