

Using CDBG and CDBG-CV to Support Pandemic Recovery

April 30, 2021

Since the first Community Development Block Grant coronavirus (CDBG-CV) allocations were announced in March 2020, a wide range of larger pandemic response and recovery funding sources focused on assistance to individuals and families have become available. As a result, CDBG-CV grantees have begun identifying gaps and creating activities to drive longer-term recovery and revitalization for low- and moderate-income (LMI) areas. Grantees may use CDBG-CV funds for pandemic recovery if each assisted activity prepares, prevents, and responds to coronavirus (also known as “PPR tieback”). This quick guide will help grantees understand this approach and how to apply it.

Grantees may use CDBG and CDBG-CV funds for a range of eligible activities with PPR tieback. A key for tieback is to focus on documented coronavirus effects or risks to overall economic, service, housing and infrastructure serving LMI neighborhoods and communities, and to consider both backward-looking and potential forward-looking risks or vulnerabilities to coronavirus.

CDBG-CV Approaches with PPR Tieback

<i>For more information, refer to program resources on the HUD Exchange and hud.gov.</i>	
Assistance to Businesses, including Special Economic Development Assistance	
Provision of assistance to private, for-profit entities, when appropriate to carry out an economic development project. <i>See section 105(a)(17) (42 U.S.C. 5305(a)(17)); 24 CFR 570.203(b).</i>	Provide grants or loans to support entrepreneurs or existing businesses to acquire, convert, construct, or reconstruct commercial spaces to revitalize communities and local economies affected by business or job losses resulting from the coronavirus.
	Avoid or reverse job loss (loss of positions or hours worked) caused by business closures related to community mitigation measures (e.g. social distancing, closures, stay-at-home orders) or other job loss and economic disruption resulting from coronavirus by providing working capital assistance to small businesses or entrepreneurs to enable creation and retention of jobs held by low- and moderate-income persons.
Provision of assistance to microenterprises. <i>See section 105(a)(22) (42 U.S.C. 5305(a)(22)); 24 CFR 570.201(o).</i>	Provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises to revitalize communities and local economies affected by coronavirus or to prepare for and prevent future outbreaks.
Public Services (including emergency subsistence payments)	
Provision of new or quantifiably increased public services. <i>See section 105(a)(8) (42 U.S.C. 5305(a)(8)); 24 CFR 570.201(e).</i> (Public services cap is suspended for CDBG-CV)	Carry out job training in communities or neighborhoods affected by coronavirus-related job loss since January 2020 to revitalize affected labor force and business sectors or to help workers re-train for expanding sectors.
	Increase the capacity and availability of daycare or after-school services serving low/mod areas in which parents have dropped out of the workforce since January 2020 to enable workers to rejoin the workforce.
	Provide equipment, supplies, and materials necessary to carry-out a public service related to the effects of the pandemic, or to enable resilience to the effects of

funds, and for CDBG FY 2019/20 funds with PPR tieback)	coronavirus in future, such as food banks, youth services, health care, WIFI, or senior services.
	Provide testing, diagnosis, vaccination, or other health services to low/mod persons at a mobile location.
	Provide up to six consecutive months of emergency subsistence payments (for example, for rent, mortgage, or utilities) to a provider on behalf of a family to prevent eviction or stabilize LMI neighborhoods affected by economic disruption since January 2020.

Housing, including Rehabilitation and Reconstruction, Conversion, and Acquisition

Rehabilitation and reconstruction of privately owned properties <i>See section 105(a)(4) (42 U.S.C. 5305(a)(4)); 24 CFR 570.202.</i>	Respond to living conditions (such as mold, lead-based paint, and poor ventilation) associated with more severe coronavirus disease or poorer post-COVID health outcomes by providing forgivable loans for rehabilitating homeowner housing to comport with standard building codes and public health advice.
	Respond to living conditions (such as mold, lead-based paint, and poor ventilation) associated with more severe coronavirus disease or poorer post-COVID health outcomes by rehabilitating multi-family rental buildings to comport with standard building codes and public health advice.
Conversion of commercial or public buildings to housing <i>See section 105(a)(4) (42 U.S.C. 5305(a)(4)); 24 CFR 570.202(a) and (e).</i>	Respond to residential over-crowding associated with coronavirus spread and with more severe coronavirus disease and poorer post-COVID health outcomes by converting a vacant or abandoned commercial structure to affordable housing.
Acquisition of property for housing <i>See section 105(a)(1) (42 U.S.C. 5305(a)(1)); 24 CFR 570.201(a) and 202(b)(1).</i>	Respond to residential over-crowding associated with coronavirus spread and with more severe coronavirus disease and poorer post-COVID health outcomes by acquiring property for new construction of affordable housing funded from another source.
New Construction of housing <i>See section 105(a)(15) (42 U.S.C. 5305(a)(15)); 24 CFR 570.204 and 207(b)(3).</i> (Grantees may submit CDBG-CV new construction waiver requests for HUD’s consideration consistent with the CARES Act.)	Respond to residential over-crowding associated with coronavirus spread and with more severe coronavirus disease and poorer post-COVID health outcomes by constructing affordable housing as part of a neighborhood revitalization project carried out by a Community Based Development Organization (CBDO).

Buildings and Improvements, Including Public Facilities

Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements.	Construct a public facility, such as a park, serving an LMI area, to provide suitable outdoor fitness, and social space where insufficient facilities are available to support social distancing guidance.
	Rehabilitate a community facility to establish appropriately ventilated spaces for senior or youth services and activities.

<p><i>See section 105(a)(2) (42 U.S.C. 5305(a)(2)); 24 CFR 570.201(c).</i></p>	<p>Prevent or address the spread of coronavirus in a vulnerable population by acquiring and rehabilitating, or constructing, a group living facility for persons recovering from substance abuse disorder. A quality study showing the effects of coronavirus worsened the incidence of local substance abuse disorder could also suffice for PPR tieback.</p> <p>Construct a public improvement, such as extending broadband infrastructure in an underserved area or reconstructing degraded water lines, to support tele-school and telemedicine and to ensure potable water to homes, schools, and health providers.</p>
<p>Rehabilitation of buildings and improvements (including interim assistance).</p> <p><i>See section 105(a)(4) (42 U.S.C. 5305(a)(4)); 24 CFR 570.201(f); 570.202(b).</i></p>	<p>Rehabilitate a commercial building or public facility such as a school building to improve indoor air quality and ventilation to improve public health and prevent spread of coronavirus by replacing the HVAC and other building systems or to add operable windows and other improvements that could ensure the building’s continued usefulness during an outbreak.</p> <p>Acquire, and rehabilitate (if necessary) a motel or hotel building to expand capacity for non-congregate shelter or enable permanent housing where such housing is not sufficient during a coronavirus pandemic or epidemic.</p> <p>Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis or to recover from long COVID.</p>
<p>Planning, Capacity Building, and Technical Assistance</p>	
<p>States only: Planning grants and planning only grants.</p> <p><i>See section 105(a)(12).</i></p>	<p>Grant funds to units of general local government may be used for planning activities in conjunction with an activity, they may also be used for planning only as an activity. These activities must meet or demonstrate that they would meet a national objective. These activities are subject to the State’s 20 percent administration, planning and technical assistance cap.</p>
<p>States only: use a part of to support TA and capacity building.</p> <p><i>See section 106(d)(5) (42 U.S.C. 5306(d)(5)).</i></p>	<p>Grant funds to units of general local government to hire technical assistance providers to deliver CDBG training to new subrecipients and local government departments that are administering CDBG funds for the first time to assist with pandemic recovery. This activity is subject to the State’s 3 percent administration, planning and technical assistance cap.</p>
<p>Entitlement only. data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans.</p> <p><i>See 24 CFR 570.205.</i></p>	<p>Gather data and develop non-project specific coronavirus recovery and economic revitalization plans for communities and neighborhoods affected by the coronavirus.</p>

Planning Considerations

A change in focus may require changes to the planned use of funds:

- CDBG grantees must amend their Consolidated Annual Action Plan when there is a change to the allocation priorities or method of distribution of funds; an addition of an activity not described in the plan; or a change to the purpose, scope, location, or beneficiaries of an activity (24 CFR 91.505).
- If the changes meet the criteria for a “substantial amendment” in the grantee’s citizen participation plan, the grantee must follow its citizen participation process for amendments (24 CFR 91.105 and 91.115).

Related Resources

The Department has technical assistance providers that may be available to assist grantees in their implementation of CDBG Funds for activities to prevent, prepare for, or respond to the spread of infectious disease. A range of technical assistance tools are available at HUD's website

(https://www.hud.gov/program_offices/comm_planning/cdbg_programs_covid-19) and at the HUD Exchange (<https://www.hudexchange.info/programs/cdbg-cv/>).

Ask A Question

Grantees - Submit your questions to your local CPD Field Office Director or assigned CPD Representative. For contact information, please visit https://www.hud.gov/program_offices/comm_planning/staff.

Grantees and other may also submit questions to the Ask A Question service at <https://www.hudexchange.info/program-support/my-question/>.