

Addendum Guide for Review of State CDBG-CV and for
FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

Addendum Guide for Review of State CDBG-CV and for FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus.	
Name of Grantee:	
Staff Consulted:	
Name(s) of Reviewer(s):	Date:

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, Federal Register Notice or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding.**"

Instructions: This Exhibit addresses monitoring criteria specific to CDBG-CV funds, as well as FY 2019 and 2020 annual formula CDBG funds used to prevent, prepare for, and respond to coronavirus. Because most CDBG compliance requirements remain applicable, reviewers should primarily rely upon the Chapter 4 monitoring Exhibits and use this Exhibit only to access the unique requirements of the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116–136) (CARES Act) or 85 FR 51457 [FR–6218–N–01] [Reviewers will still use Chapter 4 Exhibits, without this Addendum, for the review of annual CDBG funds for typical activities.]

This Exhibit is an Addendum to Chapter 4, *State Community Development Block Grant (CDBG) Program* and shall be used to monitor the use of CDBG-CV funds, as well as FY 2019 and 2020 annual formula CDBG funds used for activities carried out to prevent, prepare for, and respond to coronavirus. For such activities, many questions in Chapter 4 continue to apply, though some are modified as noted in this Addendum. The Exhibit provides one of four special instructions for questions in Chapter 4 Exhibits:

- **Skip questions.** The CARES Act waived certain requirements. Therefore, reviewers may skip corresponding Chapter 4 questions and answer questions with an “N/A” and note the waiver in the “*Describe Basis for Conclusion*” text box.
- **Notes and Citation Addendums.** The Federal Register (FR) Notice modified some CDBG program rules and provided alternative requirements for some statutory and regulatory provisions administered in connection with the use of CDBG-CV funds and FY 2019 and 2020 CDBG annual formula funds used to prevent, prepare for, and respond to coronavirus. Therefore, some Chapter 4 questions are applicable with added considerations. These Addendums describe the additional criteria that the Reviewer must consider. Reviewers will address any findings and include the FR Notice citation accordingly.
- **Modified Questions.** Modified questions reflect FR Notice requirements that are distinct from the annual program. The reviewer will skip the corresponding Chapter 4 question, and answer the modified question instead.

Addendum Guide for Review of State CDBG-CV and for
FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

- **New Questions.** These questions are for requirements unique to the use of CDBG-CV funds and FY 2019 and 2020 CDBG annual formula funds used to prevent, prepare for, and respond to coronavirus, and do not replace or modify any Chapter 4 question. Reviewers will include these questions in addition to other Chapter 4 questions.

If no special instructions are provided regarding a chapter 4 question, that question remains applicable to the use of CDBG-CV funds.

Special Instructions for Exhibit 4-1 *Guide for Review of Eligibility and National Objective Questions*

- **NEW Question 4a.** New question addresses state recordkeeping for activities directly carried out. See **Addendum #1** in the *New and Modified Questions* section below.
- **Question 5, Notes and Citation Addendum.** The State PER Notice was also updated for CDBG-CV (CPD Notice 21-11 includes instructions related to performance reporting under CDBG-CV).
- **NEW Question 6a.** New question addresses coronavirus tie-back for activities. See **Addendum #2** in the *New and Modified Questions* section below.
- **NEW Question 6b.** New question addresses emergency payments. See **Addendum #3** in the *New and Modified Questions* section below.
- **Question 9, Notes and Citation Addendum.** When demonstrating that the residents of an entitlement area are predominantly low- and moderate-income, State CDBG-CV grantees may use the “upper quartile” or “exception criteria.” [85 FR 51457; section III.B.6.(b)(iv)]
- **Question 15, Notes and Citation Addendum.** The FR Notice provided some alternative requirements for documenting urgent need. Documentation of coronavirus-tie back is considered sufficient to document that activity is “designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community.” Documentation of coronavirus-tie back is also considered sufficient to document that “the state or UGLG is unable to finance the activity on its own, and that other sources of funds are not available.” Regarding whether the threats are of recent origin, grantees may have referenced the U.S. Department of Health and Human Services (HHS) press release declaring a public health emergency for the entire United States, President’s declaration of the ongoing Coronavirus Disease 2019 pandemic or referral to the effective date of a grantee’s own local or state emergency declaration. [24 CFR 570.483(d); 24 CFR 570.490 supplemented by 85 FR 51457; section III.B.5.(d)(i) Use of Urgent Need National Objective]
- **NEW Question 16.** New question addresses limitations on the use of funds for eminent domain. See **Addendum #4** in the *New and Modified Questions* section below.
- **NEW Question 17.** New question addresses pre-application costs. See **Addendum #5** in the *New and Modified Questions* section below.
- **NEW Question 18.** New question addresses tribal consent for activities the state carrying out activities directly in tribal areas. See **Addendum #6** in *New and Modified Questions* section below.

Addendum Guide for Review of State CDBG-CV and for
FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

Special Instructions to Exhibit 4-2 *Guide for Review of Eligibility and National Objective: Economic Development Supplement*

- **Question 5, Notes and Citation Addendum.** For CDBG-CV activities and FY 2019 and 2020 annual formula CDBG activities that prevent, prepare for, and respond to coronavirus, the minimum poverty rate for a central business district is reduced from 30% to 20%.

NOTE: The CDBG-CV recipient may substitute records showing the type of job and the annual wages or salary of the job in lieu of maintaining records showing the person's family size and income to demonstrate that the person who filled or held/retained the job was a low- or moderate-income person, as appropriate, section III.B.5.(d)(iii) LMI Job Creation and Retention Records.

[24 CFR 570.483(b)(4)(iii) as modified by 85 FR 51457; section III.B.5.(d)(ii)]

- **Question 9, Notes and Citation Addendum.** States must ensure that activities achieve the minimum level of public benefit results from economic development activities. However, when assistance was provided due to business disruption related to coronavirus, then no monetary standard applies.

[85 FR 51457; section III.B.5.(e)(ii) Modification of Individual Public Benefit Standards]

- **Question 11, Notes and Citation Addendum.** The question is still applicable; however, there is an additional citation to consider. [85 FR 51457; section III.B.5.(c)(i). Limitations on Use of Funds for Eminent Domain.]
- **SKIP Question 12.** Exhibit 4-2, Question 12 will be skipped for CDBG-CV and FY 2019 and 2020 annual formula CDBG activities that prevent, prepare for, and respond to coronavirus. Reviewers may indicate "not applicable" and answer the *Modified Question 12* instead.
- **MODIFIED Question 12.** This modified question incorporates the alternative individual public benefit standards for CDBG-CV and FY 2019 and 2020 annual formula CDBG activities that prevent, prepare for, and respond to coronavirus. As appropriate, reviewers will answer this modified question in lieu of Question 12 in Exhibit 4-2. See **Addendum #7** in the *New and Modified Questions* section below.
- **SKIP Question 13.** The question will be skipped for CDBG-CV and FY 2019 and 2020 annual formula CDBG activities that prevent, prepare for, and respond to coronavirus. Aggregate public benefit standards have been waived for these activities. Reviewers may indicate "not applicable" and cite 85 FR 51457; section III.B.5.(e)(i) Elimination of Aggregate Public Benefit Test.

NOTE: For FY 2019 and 2020 annual formula CDBG funds, the aggregate test for the public benefit standard still applies. However, a grantee can exclude coronavirus-related activities that prevent, prepare for, or respond to coronavirus from the aggregate calculation.

[85 FR 51457, section IV.B.3.(b)]
- **Question 14, Notes and Citation Addendum.** The question applies to CDBG-CV, States and UGLGs and eligible subrecipients are required to maintain sufficient records to demonstrate the level of public benefit actually achieved; however, reviewers have additional citations to consider for CDBG-CV and for FY 2019 and FY 2020 annual

Addendum Guide for Review of State CDBG-CV and for
FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

formula CDBG activities that prevent, prepare for, and respond to coronavirus. A state may be carrying out activities directly, which changes the content of those records.

NOTE: the FR Notice allowed records on the type of job and the annual wages or salary of the job, in lieu of maintaining records showing the person's family size and income [85 FR 51457, section III.B.5.(d)(iii)].

NOTE: The records may reference a business disruption related to coronavirus [in which case, no monetary standard applies per 85 FR 51457, section III.B.5.(e)(ii)]. [85 FR 51457; sections III.B.5.(d) National Objectives and III.B.5.(d)(iv) Overall Benefit to LMI Persons]

Special Instructions for Exhibit 4-3 *Guide for Review of the Overall Benefit Test.*

Reviewers may **prepare two Exhibits** to review CDBG-CV separately from the annual program. Grantees must demonstrate overall benefit requirement separately for a grantee's total CDBG-CV allocation and not in combination with annual formula CDBG, program income, or commitments under the Section 108 Loan Guarantee program. [85 FR 51457; section III.B.5.(d)(iv) Overall Benefit to LMI Persons].

- CDBG-CV will be evaluated separately with Exhibit 4-3. The reviewer will only enter the CDBG-CV grant allocation in Question 1a and list only those expenditures from the CDBG-CV grant in the subsequent fields under Question 1.
- Conversely, CDBG-CV funds should not be included in the calculations for compliance under the annual program, which will be a separate calculation of Exhibit 4-3.

Special Instructions for Exhibit 4-4 *Guide for Review of the Method of Distribution & Local Government Citizen Participation*

- **SKIP Question 1a.** Reviewers will skip this Exhibit question for states that directly carried out CDBG-CV activities with any portion of their award, and instead use the Modified Question 1a provided in this Addendum [24 CFR 91.320(k)(1)(i) & (ii) as modified by 85 FR 51457; section III.B.4.(b)(ii) Content of CDBG-CV Application for States Acting Directly]. The original Question 1a will be applicable to states that distributed their CDBG-CV funds through a method of distribution.
- **MODIFIED Question 1a.** Question 1a is modified for States that carryout activities directly. See **Addendum #8** in the *New and Modified Questions* section below.
- **Question 5 and Question 6, Notes and Citations Addendum.** On April 1, 2020, HUD issued two waivers to modify citizen participation requirements for consolidated plan substantial amendments for CDBG, ESG, HOME, HTF, and HOPWA. The first provided for five days of public comments. The second allowed grantees to determine what constitutes reasonable notice and opportunity to comment, given their circumstances, for the 2020 program year. For as long as national or local health authorities recommend social distancing and limiting public gatherings for public health reasons, states, local governments and eligible subrecipients receiving CDBG, may hold virtual hearings in lieu of in person public hearings to fulfill public hearing requirements imposed by 42 U.S.C. 12707(a)(3) and the regulations at 24 CFR part 91 and 24 CFR part 570, or by the grantee's citizen participation plan.

NOTE: For each virtual hearing, a grantee shall provide reasonable notification and access for citizens in accordance with the grantee's certifications, timely

Addendum Guide for Review of State CDBG-CV and for
FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

responses from local officials to all citizen questions and issues, and public access to all questions and responses. Therefore, grantees may use online platforms to hold virtual hearings that provide public access to questions and responses and provide timely responses from local officials.

[24 CFR 570.486(a) and 24 CFR 91.115(a) as modified by 85 FR 51457; section III.B.4.(a)(iv) Extension of CARES Act Flexibilities to All Consolidated Plan Formula Programs (CDBG, CDBG-CV, HOME, HOPWA, HTF, ESG) and Section 108 Loan Guarantees.]

- **NEW Question 7.** New question addresses the CV Set-Aside for use by Units of General Local Government. See **Addendum #9** in the *New and Modified Questions* section below.

Special Instructions for Exhibit 4-5 *Guide for Review of Timely Distribution.*

- **Questions 1 and 2. Notes and Citations Addendum.** Reviewers will exclude CDBG-CV grant funds from Questions 1 and 2, and Tables A and B. [24 CFR 570.494 as modified by 85 FR 51457; section III.B.7.(b) Timeliness].

NOTE: Program income generated by CDBG-CV is treated as annual formula CDBG program income and should be reported under annual formula CDBG. [24 CFR 570.494 as modified by 85 FR 51457; sections III.B.6.(a) Program Income and III.B.7.(b) Timeliness]

- **New Question 3.** New question addresses the CDBG-CV Timely Expenditure Requirement of 80 percent by the end of the 3rd year of the period of performance. See **Addendum #10** in the *New and Modified Questions* section below.

Special Instructions for Exhibit 4-6 *Guide for State Review of Grant Recipients and Performance Reporting*

- **Questions 1, 3, 4, 8 and 9. Notes and Citation Addendum.** Reviewers may interpret “local government” to include all subrecipients and therefore include instances when a state carries out activities directly using CDBG-CV.

NOTE: For CDBG-CV, the definition of subrecipient is modified to include nonprofit agencies, Indian tribes, and entitlement grantees. Because states can carry out activities under CDBG-CV, the reporting requirements must also apply to a state where a state carries out activities directly. [24 CFR 570.492 as modified by 85 FR 51457; sections III.B.6.(b)(i) Direct Action by States; III.B.6.(b)(ii) Use of Subrecipients by States (Including Nonprofits and Tribes); and III.B.6.(b)(iii) Activities Carried Out by States in Entitlement Areas.]

Special Instructions for Exhibit 4-7 *Guide for Review of Program Administration.* Note: Several of the items in Exhibit 4-7 will be documented in the PR28 Grant Financial Summary. See CPD Notice 21-11 for more information.

- **SKIP Question 1.** The information in question 1 does not apply to CDBG-CV since a state may carry out activities directly with CDBG-CV funds. Reviewers will exclude CDBG-CV funds when evaluating compliance.
- **SKIP Question 2.** Reviewers will skip this question and instead use the Modified Question 2 when reviewing CDBG-CV state administrative and technical assistance cost

Addendum Guide for Review of State CDBG-CV and for
FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

caps. [24 CFR 570.489(a) as modified by 85 FR 51457 section III.B.6.(b)(vi) Cap on State Administrative Costs and Technical Assistance]

- **MODIFIED Question 2.** State administrative costs are limited to 5 percent. See **Addendum #11** in the *New and Modified Questions* section below.
- **SKIP Question 3.** For CDBG-CV, state administration expenditures are not required to be matched. [85 FR 51457; section III.B.6.(b)(v) Elimination of State Administrative Match.]
- **SKIP Question 4.** The administrative cap criteria referenced in this question are only applicable to annual funds, and not CDBG-CV funds.
- **MODIFIED Question 4.** This Question addresses the CDBG-CV 2% technical assistance cost cap. See **Addendum #12** in the *New and Modified Questions* section below.
- **SKIP Question 5.** The administrative cap criteria referenced in this question are applicable to annual funds, and not CDBG-CV funds.
- **SKIP Question 6.**
- **MODIFIED Question 6.** This question is modified for states carrying out activities directly through subrecipients with CDBG-CV funds. See **Addendum #13** in the *New and Modified Questions* section below.
- **SKIP Question 7.** CDBG-CV funds and FY 2019 and FY 2020 annual formula CDBG funds to prevent, prepare for, and respond to coronavirus have no cap on the use of funds for public services activities.

NOTE: Reviewers will continue using Question 7 to evaluate FY 2019 and FY 2020 annual formula CDBG expenditures for activities that did not have coronavirus tie-back.

[85 FR 51457; sections III.B.5.(f)(iii) Public Services Cap and IV.B.3.(a) Calculation of the Public Services Cap.]

- **Questions 9 and 10. Notes and Citation Addendum.** Grantees shall not reimburse pre-agreement and pre-award costs incurred before January 21, 2020, without written approval from HUD. [24 CFR 570.489(b) as modified by 85 FR 51457; section III.B.5.(b) Reimbursements]
- **NEW Question 16a.** CDBG-CV has a distinct requirement pertaining to program income and projected cash needs. See **Addendum #14** in the *New and Modified Questions* section below. 85 FR 51457; section III.B.6(a)(iii)
- **SKIP Question 19.** This question is not applicable to CDBG-CV since program income is considered part of the annual program and revolving funds cannot be formed under CDBG-CV.
- **NEW Question 32.** New question addresses duplication of benefit restrictions. See **Addendum #15** in the *New and Modified Questions* section below.

Special Instructions for Exhibit 4-8 Guide for Review of Closeout System

- **Notes and Citation Addendum.** Reviewers may interpret the various mentions of “local governments” to include all subrecipients and apply those requirements accordingly, when a state carries out activities directly using CDBG-CV.

Addendum Guide for Review of State CDBG-CV and for
FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

Special Instructions for Exhibit 4-9 *Guide for Review of Colonias Set-Aside*

- **SKIP Exhibit 4-9.** This Exhibit only applies to the colonias set-aside for annual CDBG funding.

Addendum Guide for Review of State CDBG-CV and for
 FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

New and Modified Questions:

<p>Addendum 1 to Exhibit 4-1, New Question 4a: For CDBG-CV funds used for activities carried out directly by the State, has the State established and maintained records sufficient to facilitate review and audit by HUD? [24 CFR 570.490 as modified by 85 FR 51457, section III.B.5.(d)(iii) and III.B.6.(b)(i)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>Describe Basis for Conclusion:</p>	

<p>Addendum 2 to Exhibit 4-1, New Question 6a: Did the grantee use CDBG–CV funds only for those activities carried out to prevent, prepare for, and respond to coronavirus? [85 FR 51457; section III.B.5.(f); cross reference Section 105(a) of the HCDA and 24 CFR 570.482]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>Describe Basis for Conclusion:</p>	

<p>Addendum 3 to Exhibit 4-1, New Question 6b: Did the grantee appropriately limit emergency payments to six consecutive months for individuals or families impacted by coronavirus for items such as food, clothing, housing (emergency rental assistance or mortgage assistance) or utilities; and appropriately make those payments directly to the service provider on behalf of the beneficiary? NOTE: Complete Exhibit 24-3 Guide for Review of Lead-Based Paint Compliance in Properties Receiving Tenant-Based Rental Assistance (TBRA) to confirm compliance with lead-based paint inspection requirements. HUD published the following Q&A document describing how an initial emergency payment will often include an arrearage payment of multiple months; however, such payment will still count as one month’s payment against the allowable six monthly payments allowed. The document also provides information on lead-based paint visual inspection requirements. https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-and-CDBG-CV-Subsistence-Payments-Arreages-033021.pdf [85 FR 51457; section III.B.5.(f)(i)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>Describe Basis for Conclusion:</p>	

Addendum Guide for Review of State CDBG-CV and for
 FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

<p>Addendum 4 to Exhibit 4-1, New Question 16: Did the grantee ensure that no CDBG-CV funds were used to support any Federal, state, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use?</p> <p>NOTE: For the purposes of this requirement, public use shall not be construed to include economic development that primarily benefits private entities. Any use of funds for mass transit, railroad, airport, seaport or highway projects, as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfield as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Pub. L. 107-118) shall be considered a public use for purposes of eminent domain.</p> <p>[85 FR 51457; section III.B.5.(c)(i). Limitations on Use of Funds for Eminent Domain]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

<p>Addendum 5 to Exhibit 4-1, New Question 17. If pre-application costs were included in a CDBG-CV application, did units of general local government or states document compliance with the environmental review requirements at 24 CFR part 58 following the application to the state or UGLG for funding and prior to committing CDBG-CV funds for reimbursement of pre-application costs?</p> <p>NOTE: If the grantee cannot meet all the requirements at 24 CFR part 58 and cannot demonstrate that there was no environmental harm committed, the pre-application costs cannot be reimbursed with CDBG-CV or other HUD funds.</p> <p>NOTE: Grantees shall not reimburse costs incurred before January 21, 2020, without written approval from HUD’s Office of Block Grant Assistance (OBGA), the date the CDC confirmed the first case of coronavirus in the United States in the State of Washington.</p> <p>[85 FR 51463, III.B.5.(b) Reimbursements cross reference 24 CFR 570.489(b) (States)]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

Addendum Guide for Review of State CDBG-CV and for
FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

<p>Addendum 6 to Exhibit 4-1, New Question 18. For activities carried out directly by States in tribal areas either through employees, contractors or subrecipients, did the State obtain consent of the tribe with jurisdiction over the tribal area? [85 FR 51457 at III.B.6.(b)(i)]</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Describe Basis for Conclusion:</p>	

<p>Addendum 7 to Exhibit 4-2, Modified Question 12. For CDBG-CV and FY 2019 and 2020 annual formula CDBG used to prevent, prepare for, and respond to coronavirus, does the state properly apply the individual public benefit standard to each economic development activity?</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>NOTE: The review should ensure that the state is properly calculating individual public benefit, which cannot exceed:</p> <ul style="list-style-type: none"> ✓ \$85,000 per full-time equivalent, permanent job created or retained $\left[\frac{\text{CDBG Assistance \\$ to Activity} *}{\text{Number of FTEs for Activity}} \right] \leq \\$85,000 \text{ per FTE}$ OR ✓ \$1,700 per LMI person to which goods or services are provided by the activity $\left[\frac{\text{CDBG Assistance \\$ to Activity} *}{\text{LMI Persons Served by activity}} \right] < \\$1,700 \text{ per LMI Person}$ <p>* <i>The CDBG assistance covered includes grant funds, 108 funds, recaptured funds, or program income. In the case of grant funds, this includes any grant. In the case of program income, this includes any program income amounts received or expended in any program year.</i></p> <p>OR</p> <p>The grantee demonstrated that CDBG assistance was provided due to business disruption related to coronavirus (in which case, no monetary standard applies).</p> <p>NOTE:</p> <ul style="list-style-type: none"> • If an individual activity will both create/retain jobs AND provide goods/services to LMI persons, the activity need only meet 	

Addendum Guide for Review of State CDBG-CV and for
 FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

<p>either of the standards, but does not need to meet both. [24 CFR 570.482(f)(5)(i)].</p> <ul style="list-style-type: none"> • The standards will be determined at the time funds are obligated [24 CFR 570.482(f)(5)(ii)] • Job training/Employment service-only activities that are expected to create or retain jobs are counted [24 CFR 570.482(f)(5)(iii)]. <p>[24 CFR 570.482(f)(4)(i) & (f)(5) as modified by 85 FR 51457; section III.B.5.(e)(ii) Modification of Individual Public Benefit Standards]</p>	
<p>Describe Basis for Conclusion:</p>	

<p><i>Addendum 8 to Exhibit 4-4, Modified Question 1a.</i> Does the method of distribution and annual action plan contain:</p> <ul style="list-style-type: none"> • a description of all criteria used to select applicants for funding, including the relative weight of each criterion, where applicable; • provide sufficient information so that local government will be able to understand the criteria and prepare responsive applications; • a description of the CDBG total resources, by category, including: <ul style="list-style-type: none"> ○ the CDBG grant, ○ any program income expected to be available at the state level, including state revolving funds, and ○ any recaptured grant funds? • for States carrying out CDBG-CV activities directly, a list of the use of all funds for activities it will carry out directly, and how the use of the funds will prevent, prepare for, and respond to coronavirus. <p>[24 CFR 91.320(k)(1)(i) & (ii) as modified by 85 FR 51457; section III.B.4.(b)(ii). Content of CDBG-CV application for States Acting Directly]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
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Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

Addendum Guide for Review of State CDBG-CV and for
 FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

<p>Addendum 9 to Exhibit 4-4, New Question 7. Did the state set aside a portion of its funds for use by nonentitlement UGLGs that is not less than an amount equal to the state’s first CDBG-CV allocation?</p> <p>NOTE: See this public Q&A Document regarding limited and nuanced circumstances a State could carry out an activity on behalf of an UGLG and count those expenditures towards the set-aside.: https://www.hud.gov/sites/dfiles/CPD/documents/Q-and-A-on-UGLG-Option-Under-State-CDBG.pdf</p> <p>NOTE: Also see this public Q&A Document. It notifies State CDBG-CV grantees that if they used only CV1 for awards to nonentitlement UGLGs and also used a portion of its CV1 allocation for the state’s own costs, as it would normally do under the annual program, then the amount of its nonentitlement UGLG set-aside will be less than the CV1 amount. To remain compliant, a State should use a portion of the subsequent amounts received under CV2 and CV3 to either make additional awards or otherwise increase the amounts for use by nonentitlement UGLGs https://www.hud.gov/sites/dfiles/CPD/documents/UGLG-Set-Aside-QA-FINAL.pdf</p> <p>[85 FR 51457; section III.B.6.(b)(i) Direct Action by States.]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No N/A</p>
<p>Describe Basis for Conclusion:</p>	

<p>Addendum 10 to Exhibit 4-5, New Question 3. Has the state expended 80 percent of its CDBG-CV grant by the end of the third year of the period of performance?</p> <p>NOTE: HUD may authorize an extension of the three-year expenditure requirement if the grantee provides evidence of extenuating circumstances that would warrant the extension and that it could demonstrate it would meet all program requirements within the extended expenditure period.</p> <p>[85 FR 51457 sections III.B.7.(a) Period of Performance and III.B.7.(c) Closeout]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No N/A</p>
<p>Describe Basis for Conclusion:</p>	

Addendum Guide for Review of State CDBG-CV and for
 FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

<p>Addendum 11 to Exhibit 4-7, Modified Question 2. Is the amount of CDBG-CV used to pay the state’s administrative costs limited to five percent of the CDBG-CV allocation? [24 CFR 570.489(a) as modified by 85 FR 51457 section III.B.6.(b)(vi) Cap on State Administrative Costs and Technical Assistance.]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
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Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

<p>Addendum 12 to Exhibit 4-7, Modified Question 4. Is the amount of CDBG-CV used to pay the state’s technical assistance costs limited to two percent of the CDBG-CV allocation? [24 CFR 570.489(a) as modified by 85 FR 51457 section III.B.6.(b)(vi) Cap on State Administrative Costs and Technical Assistance.]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

<p>Addendum 13 to Exhibit 4-7, Modified Question 6. For CDBG-CV, did the state limit the combined expenditures by itself and its funded units of general local government and eligible subrecipients for planning, management, and administrative costs to no more than 20 percent of the grant during the period of performance? [24 CFR 570.489(a)(3) as modified by 85 FR 51457; section III.B.6.(b)(vi) Cap on State Administrative Costs and Technical Assistance.]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

<p>Addendum 14 to Exhibit 4-7, New Question 16a. When a local government retains the program income from the use of CDBG-CV funds, did the state determine that the amount does not exceed the subrecipient’s projected cash needs for CDBG activities including activities to prevent, prepare for, and respond to coronavirus? [24 CFR 570.489(e)(3) as modified by 85 FR 51457; section III.B.6(a)(iii) Retention of program income by subrecipients]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							

Addendum Guide for Review of State CDBG-CV and for
 FY 2019 and 2020 CDBG funds used to prevent, prepare for, and respond to coronavirus

<p>Addendum 15 to Exhibit 4-7, New Question 32. Did the state develop and maintain adequate procedures to prevent a duplication of benefits for each activity or program?</p> <p>NOTE: A grantee’s policies and procedures are not adequate unless they include, at a minimum: (1) a requirement that any person or entity receiving CDBG-CV assistance (including subrecipients and direct beneficiaries) must agree to repay assistance that is determined to be duplicative; and (2) a method of assessing whether the use of CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably to evaluate need and the resources available to meet that need.</p> <p>[85 FR 51457; section III.B.9. Duplication of Benefits]</p>	<table style="width: 100%; text-align: center;"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Describe Basis for Conclusion:</p>							