



# **Community Development Block Grant CARES Act Funds companion volume**

**A guide for maximizing the  
implementation of Community  
Development Block Grant CARES Act Funds  
in HELP Communities.**

**Designed for the Hoosier  
Enduring Legacy Program**

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OCRA

Office of  
**COMMUNITY &  
RURAL AFFAIRS**

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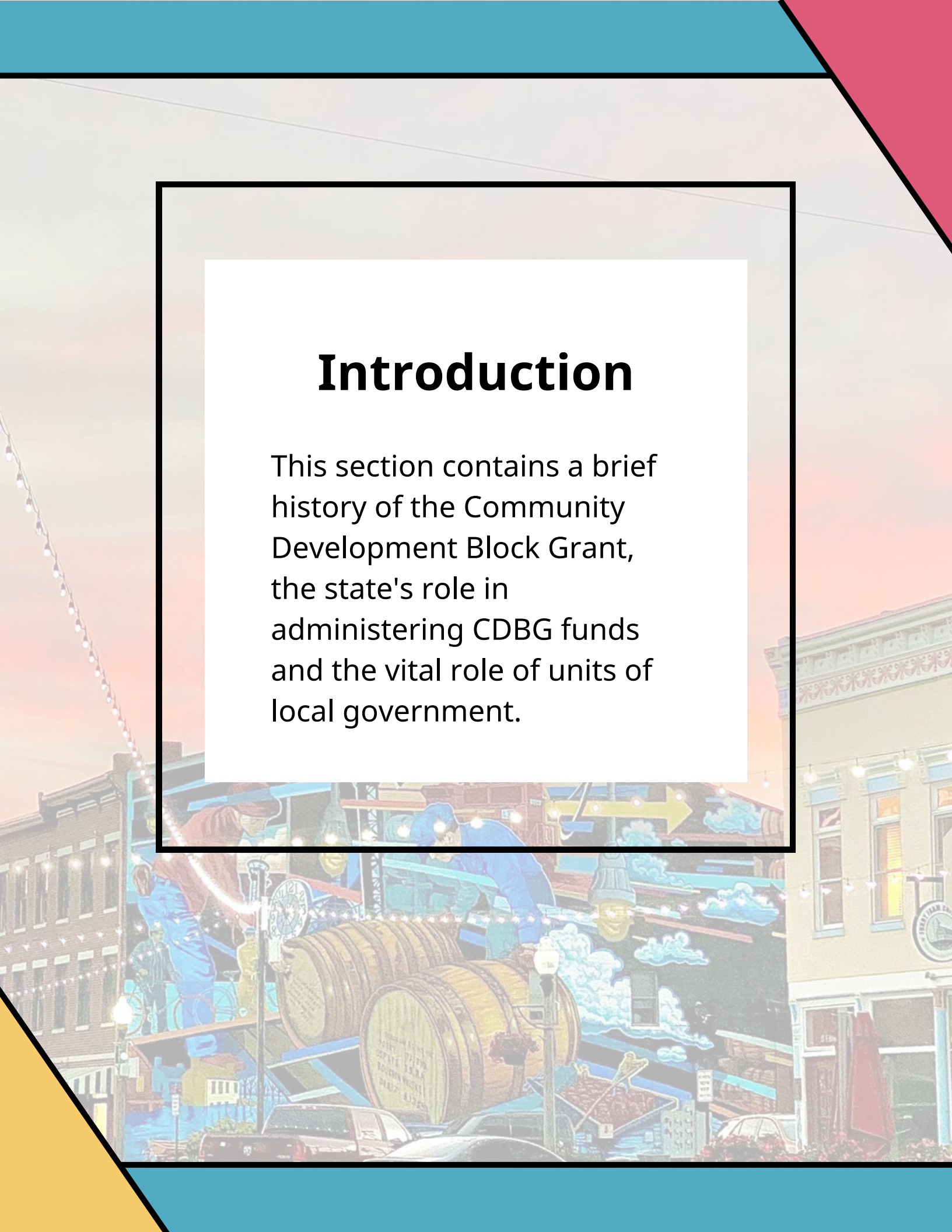
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# Introduction

This section contains a brief history of the Community Development Block Grant, the state's role in administering CDBG funds and the vital role of units of local government.



# Brief History of Community Development Block Grants

The Community Development Block Grant Program is authorized under Title I of the Housing and Community Development (HCD) Act of 1974, as amended. CDBG grew from consolidating eight categorical programs, under which communities competed nationally for funds. Those programs were:

- Open Space
- Urban Renewal
- Neighborhood Development Program grants
- Historic Preservation grants
- Model Cities supplemental grants
- Public Facilities loans
- Neighborhood Facilities grants
- Water and Sewer grants

Initially, recipients of the CDBG program were local governments, known as entitlements. Entitlements may be metropolitan cities or urban counties, and each receives annual CDBG funding via an established formula.

In 1982, states were permitted to administer CDBG for small cities, also known as non-entitlements. The U.S. Department of Housing and Urban Development (HUD) monitors the State of Indiana to ensure compliance with CDBG program requirements.

The primary objective of the HCD Act of 1974 is the development of viable communities. These viable communities are achieved by providing principally persons of low- and moderate-income with:

- Decent housing
- A suitable living environment
- Expanded economic opportunities

To achieve these goals, the CDBG statutory and regulatory requirements establish eligible activities and national objectives that all these activities must meet. The State of Indiana, as recipient of CDBG funds, is charged with ensuring these requirements are met. Under the State CDBG program, states are provided “maximum feasible deference,” meaning states can adopt more restrictive requirements, provided they do not contradict or are inconsistent with the HCD Act statute.

# The State's Role in Administering CDBG

The State of Indiana has charged the Office of Community and Rural Affairs to administer the State's CDBG program. The Office of Community and Rural Affairs is responsible for:

- Developing the consolidated plan
- Designing the CDBG program within statutory and regulatory parameters
- Setting priorities and deciding what activities to fund
- Distributing funding according to the method of distribution to non-entitlement communities
- Establishing financial management, recordkeeping, reporting, monitoring, audit and closeout systems for their programs
- Ensuring compliance by state grant recipients (non-entitlement communities)



# Indiana Office of Rural and Community Affairs CDBG Program

HUD annually provides federal CDBG funds directly to the State of Indiana. Indiana non-entitlement communities must apply for CDBG funds through the State. OCRA awards CDBG funding on a competitive basis based on that year's chosen method of distribution, which is a set of predetermined funding priorities and grant evaluation criteria approved by HUD. Larger cities, such as Indianapolis, Gary and Fort Wayne, receive CDBG monies directly from HUD, and are called entitlement communities.

The State of Indiana has selected the following goals for the State's CDBG allocation for 2020-2024. *"The goals are not in order of importance since it is the desire of the State to allow each region and locality to determine and address the most pressing needs it faces."*

- Goal 1: Improve Community Water, Wastewater and Stormwater
- Goal 2: Support Community Revitalization
- Goal 3: Provide Planning Grants to Local Governments
- Goal 4: Owner preservation, aging in place, accessibility

For more information on priorities and allocations for the 2020-2024 Consolidated Plan, visit the [OCRA website](#).

CDBG offers states a high level of flexibility in choosing program activities. States are free to select those activities that best meet the needs of their communities in accordance with the national objectives and requirements of the CDBG Program. The Office of Rural and Community Affairs provides a variety of programs:

- [Blight Clearance Program](#)
- [Planning Grants Program](#)
- [Public Facilities Program](#)
- [Main Street Revitalization Program](#)
- [Stormwater Improvements Program](#)
- [Wastewater Drinking Water Program](#)
- [COVID 19 Response Program](#)
- [Pilot Programs](#)

OCRA's CDBG programs have funded different eligible activities across Indiana rural communities, such as:

- Public facilities improvements to fire stations, daycare centers, community centers or senior centers
- Handicap accessibility projects
- Historic preservation: façade renovations, updating streetscapes
- Downtown infrastructure rehabilitation
- Stormwater improvements
- Acquisition of property and relocation
- Wastewater Improvements (collection lines, treatment plant, etc.)
- Drinking water system improvements (water tower, distribution)
- Comprehensive planning
- Clearance activities
- Grant Administration
- COVID 19 grants for testing and diagnosis, building capacity for health care services, grants to businesses, public Wi-Fi and expansion of food bank resources



**CITY OF VINCENNES**



**CITY OF DELPHI**

# Units of General Local Government Responsibilities and Expectations

Under the State CDBG program, non-entitlement localities are known as Units of General Local Government (UGLG), and they are responsible for:

- Applying for CDBG funds
- Prioritizing the types of activities they apply for
- Handling local citizen participation
- Carrying eligible activities
- Complying with federal laws and state requirements

For more information on federal and state requirements, visit [CDBG Handbook Section II](#).







# **Coronavirus Aid, Relief and Economic Security (CARES Act)**

This section describes the CARES Act, HUD's waivers, alternative requirements for the CDBG-CV program and provides a guide with potential projects that meet all CDBG-CV requirements.

# Overview and Background of the CARES Act

In response to the COVID-19 pandemic, Congress appropriated additional funds via the CARES Act to the Department of Housing and Urban Development (HUD) in the amount of \$5 billion in Community Development Block Grant (CDBG-CV) to be distributed to states and localities to fund activities to prevent, prepare for and respond to the coronavirus crisis.

The CARES Act modified some CDBG program rules, except for federal requirements related to fair housing, nondiscrimination, labor standards and environmental requirements, and authorized the Secretary of the Department of Housing and Urban Development (HUD) to issue waivers and alternative requirements necessary to expedite and facilitate the use of the funds. On Aug. 20, 2020, HUD published the [Federal Register Notice FR-6218-N-01](#), which provides the final guidance, rules and waivers governing CDBG-CV funds.

The CDBG-CV funds were allocated to states and localities according to section 106 of the Housing and Community Development Act of 1974. The allocation of the funding was carried out in three phases.

The State of Indiana received \$51 million of CDBG-CV funds. The Office of Rural and Community Affairs moved swiftly to amend its 2019 Action Plan and the new COVID 19 Response Program launched in April 2020 to respond to the immediate needs of non-entitlement and entitlement communities across Indiana.

Additional CARES ACT (CDBG-CV) funding was set aside as a match for communities participating in the [Hoosier Enduring Legacy Program \(HELP\)](#).

# Objective of CDBG-CV

The overall objective of the State of Indiana CDBG-CV funds is to enhance the quality of life for low and moderate-income residents, particularly in rural Indiana, by funding activities that prevent, prepare for and respond to coronavirus.

The COVID-19 pandemic has led to economic, health and social hardship for millions of Hoosiers as well as a new awareness of the changes needed to reduce pandemic impacts in the future. The CDBG-CV response grants can fund a wide range of community development activities to help rural communities in Indiana prevent, prepare for and respond to the coronavirus pandemic's disruption and impacts by mitigating future risks.

CDBG-CV grants are a flexible source of funding that can be used to pay costs not covered by other sources of assistance. These funds can be leveraged to address economic, health and social hardships, and to help make rural communities more robust, safer, more equitable, and ultimately, more resilient.



# CDBG CV Grant Rules, Waivers and Alternative Requirements

The CARES Act and the Federal Register 6218-N-01 provide modifications and clarifications to national objectives, changes to eligible activities, and CDBG-CV-specific program requirements. The rules, waiver and alternative requirements only apply to CDBG-CV grants.

The funds are subject to additional measures to prevent fraud, waste and abuse. OCRA will conduct regular oversight and monitoring activities to determine if the use of CDBG-CV funds is consistent with grant requirements and limited to the necessary and reasonable costs of actions to prevent, prepare for and respond to coronavirus.

*Throughout the toolkit, modifications, waivers and specific program requirements are marked with an asterisk \*.*

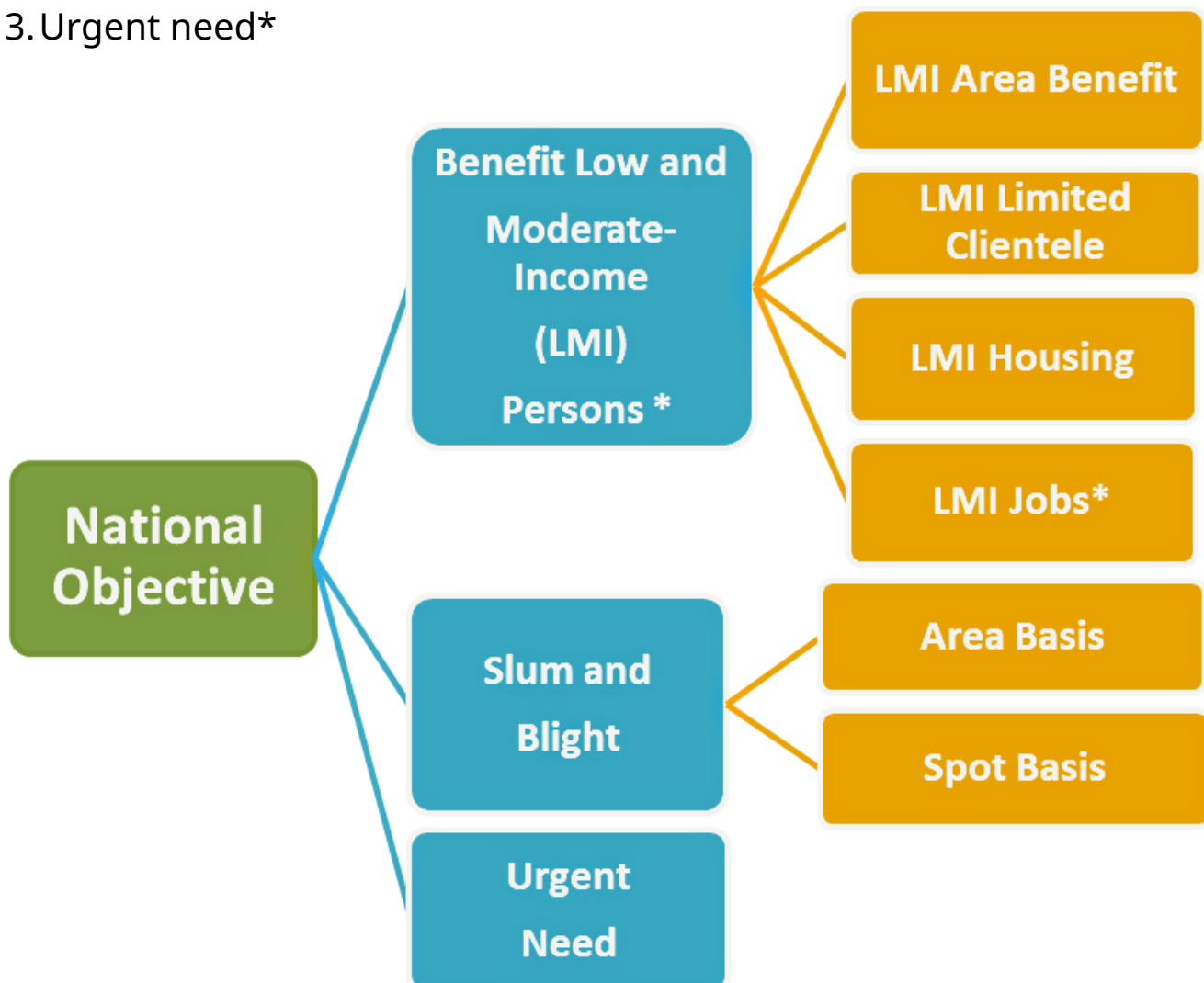


# National Objective\*

The CARES Act did not suspend the requirement to meet a national objective; grantees must ensure that every activity carried out with CDBG-CV funds will do so. The primary purpose of the CDBG program is to develop viable communities by helping provide decent housing and suitable living environments and expanding economic opportunities for persons of low- and moderate income.

Every CDBG-CV funded activity must meet the standards for one of the three CDBG National Objectives:

1. Benefit low and moderate-income (LMI) persons,
2. Prevents or eliminates conditions of slum, and blight
3. Urgent need\*



# Benefit Low and Moderate Income Persons\*

HUD requires that a minimum of 70% of all State of Indiana CDBG-CV funds be used for activities that benefit low-and moderate-income persons. The criteria for how an activity may be considered to benefit LMI persons are divided into four subcategories: LMI Area Benefit, LMI Housing, LMI Job or Limited Clientele.

- **LMI Area Benefit**

An area benefit activity is an activity that is available to benefit all the residents of a ***primarily residential*** area. To qualify an activity as meeting the area benefit national objective, the activity:

1. The activity must meet the identified needs of LMI persons in the area where at least 51 % of the area residents are low and moderate-income
2. The activity is available to benefit all the residents of a primarily residential area
3. The benefits of this type of activity are available to all residents in the area regardless of income

## **How to determine if the activity meets the LMI area benefit?**

### **1. Determine the service area:**

Grantees must determine the service area of activity. One of the crucial aspects of qualifying the activity as principally benefiting LMI persons on an area basis is appropriately identifying the (boundaries of the) service area. The boundaries of the service area must be defined before deciding which data to use to determine the percentage of LMI persons. The inclusion or exclusion of a particular portion of a community's jurisdiction can make the difference between whether the percentage of LMI residents in the service area is high enough to qualify under the LMI area benefit national objective. Therefore, grantees need to use clear boundaries to determine the LMI percentage of the service area.

## 2. Determine the LMI percentage of the service area with HUD data:

Once the boundaries of the service area of the CDBG-CV funded activity have been defined, the next step is to determine the required percentage of residents that are LMI persons. Grantees must use the HUD Census Map tool, which provides the most recently available data (decennial CENSUS/ American Community Survey) to determine the percentage of LMI by census tract/block group.

**Note:** Communities that cannot meet at least 51% LMI by census or that have a service area that does not conform to HUD's boundaries may submit a request to conduct an income survey. An income survey aims to determine if the service area can meet the LMI area benefit national objective. HUD will accept the service area determined by grantees unless there is substantial evidence to the contrary. For this reason, all income survey requests submitted to OCRA must include a letter explaining why the Census data should not be used or is justifiably inaccurate.

For more information on OCRA's Income survey procedures and required documentation visit [CDBG Policies website](#).

- **Limited Clientele**

The limited clientele category is another way to qualify specific activities under the LMI benefit national objective. Under this category, 51% of the beneficiaries of an eligible activity still have to be LMI persons, but activities in this category benefit a specific group of persons rather than everyone in an area without regard to their residence, or it may be an activity that benefits only certain persons within a specific area.

HUD has designated eight presumed groups that automatically qualify as meeting the benefit of LMI persons. These groups are:

- Abused Children
- Battered Spouses
- Senior Citizens (62+)
- Illiterate Adults
- Severely Disabled Adults
- The Homeless
- Persons with HIV-AIDS
- Migrant Farm Workers

- **LMI Housing**

Although LMI housing is one of the categories listed to qualify under the LMI national objective, OCRA does not fund housing projects. In the State of Indiana, housing activities are funded by the Indiana Housing and Community Development Authority (IHCDA).

- **LMI Jobs \***

An LMI jobs activity creates or retains permanent jobs, at least 51 percent of which, on a full-time equivalent (FTE) basis, are either held by low-or moderate-income persons or considered to be available to low-or moderate-income persons.

1. **Location-based presumption of LMI Benefit for Job**

**creation/retention\*:** CDBG-CV establishes an alternative requirement to the LMI benefit presumption for qualified census tracts and standardizes the poverty rate. It allows grantees to presume a person is LMI if the census tract where they live or where the assisted business or job is located meets one of the following:

- Qualifying Census tract meets the 70% LMI requirement
- Has a poverty rate of at least 20%
- If the census tract has a portion of or a central business district, it qualifies with a poverty rate of at least 20% (CDBG CV eliminated the higher 30% percentage for central business districts to qualify)
- Has evidence of pervasive poverty and general distress

Other waivers that have been issued for CDBG-CV job creation/retention projects are outlined [below](#).



# Slum and Blight

The focus of activities under this national objective is a change in the physical environment of a deteriorating area.

- **Area Basis**

This category covers activities that aid in the prevention or elimination of slums or blight in a designated area or more than one parcel. The area in which the activity occurs must be designated as a slum or blighted by the local unit of government according to OCRA's slum and blight program details.

- **Spot Basis**

These activities eliminate specific conditions of blight or physical decay on a spot basis or are limited to one parcel and are not located in a slum or blighted area.

# Urgent Need\*

OCRA seldom funds activities under the Urgent Need National Objective. In the case of coronavirus, where Urgent Need could have been used to meet the National Objective requirement, the criteria of eligibility required the local unit of government to certify that the activity is designed to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community within 18 months following a date determined by one of the following three methods:

- Referral to the U.S. Department of Health and Human Services-issued press release declaring a public health emergency for the entire United States. The declaration was retroactive to Jan. 27, 2020.
- Referral to the President's declaration of the ongoing Coronavirus Disease 2019 (COVID-19) pandemic as an emergency 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. 32 5121-5207 (the "Stafford Act"). (The President subsequently approved additional major disaster declarations for states); or
- Referral to the effective date of a grantee's own local or state emergency declaration.

**The 18-month determination window has now passed. OCRA does not expect HELP communities to utilize the urgent need national objective.**



# **CDBG-CV Specific Program Requirements**

This section describes the ineligible and eligible activities under CDBG-CV. It provides guides with potential projects that meet all CDBG-CV requirements to illustrate the implementation of the CDBG-CV program. It additionally outlines other program requirements including, documentation requirements, and describes the prepare, prevent and respond tieback, duplication of benefits, OCRA reporting requirements, and the expenditure deadline for CDBG-CV funds.

# Ineligible Activities

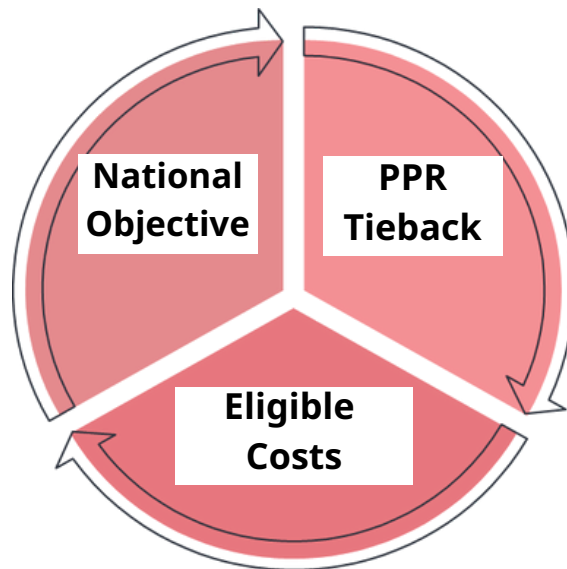
The following activities are not eligible for CDBG-CV funding:

- **Activity:** Any activity that does NOT prevent, prepare for and respond to coronavirus.
- **Acquisitions:** The real property acquisition for ineligible activities.
- **Equipment:** The purchase of personal property, equipment or furnishings not permanently attached to a building.
- **Public Services and Religious Entities:** Generally, funds may not be used for religious activities.
- **Income Payments:** funds are ineligible for income payments.
- **Government Buildings:** The acquisition, construction or rehabilitation of government buildings such as courthouses, city halls, borough administrative buildings, city offices and other buildings used for the general conduct of government, except for the removal of architectural barriers (ADA compliance).
- **Regular Government Operations:** The ongoing responsibilities of general local government and General government expenses.
- **Maintenance and Operation:** Operation and maintenance expenses of public facilities or services.
- **Political Activities:** Use of facilities or equipment for political purposes or to engage in other partisan political activities or any other political activities of any nature.
- **New Housing:** Use of funds for the direct construction of new housing.

This list is not meant to be all-inclusive; please consult your [Community Liaison](#) for questions regarding specific projects.

# Eligible Activities\*

Grantees may use CDBG-CV funds for various eligible activities to prevent, prepare for and respond to coronavirus or PPR tieback. To satisfy these purposes, grantees can carry out activities that respond to the **direct effects** of the pandemic. This can include the need to rehabilitate a building to add isolation rooms for recovering coronavirus patients or undertake activities to address **indirect effects**, such as the economic and housing market disruption caused by social distancing measures and staying at home orders to prevent the spread of the virus.



**By law, the use of funds for any other purpose is unallowable.** However, grantees are not prohibited from carrying out any eligible activity under regular CDBG programs. All eligible activities must meet eligible costs, tie back to coronavirus, and meet one of the three national objectives.

Generally, CDBG CV eligible activities follow under four general categories:

- Public Services
- Public Facilities and Improvements
- General Administration and Planning Activities
- Economic Development



**Public Services\*:** The CARES Act suspended the 15% cap on public services. However, the public service activities funded with CDBG-CV grants must be new or show a substantial increase in the public service activities provided by or on behalf of the unit of general local government in the 12 calendar months before the submission of the State’s action plan.

**Public Facilities and Improvements:** The public facilities activity category generally addresses the physical costs of improving the facility rather than providing support for operating expenses or services that may be provided within the facility. Grantees are encouraged to undertake public facility and infrastructure projects that address immediate community needs and mitigate the effects of future coronavirus occurrences.

**General Administration and Planning\*:** The administrative and planning cap was adjusted, 13% available to local government units for general administration and technical assistance to facilitate communities to plan for long-term recovery and strengthen the community’s resiliency. Grantees can use CDBG-CV grants to carry out comprehensive planning strategies for holistic coronavirus recovery and to mitigate future risks.

**Economic Development\***: Activities under economic development generally follow two subcategories 1. *Special Economic Development* or 2. *Assistance to Microenterprises*. HUD has provided additional waivers and flexibilities to help small businesses adapt business facilities, maintain operations and provide working capital to prevent workforce disruption, and avoid business closures.

1. Special Economic Development: The eligible activities under this subcategory must satisfy a two-part test:

- **Eligibility of activity**: Financial assistance to for-profit businesses can occur as acquiring property, clearing structures, building, expanding or rehabilitating a building, or providing operating capital. The type of assistance includes loans and grants.
- **Public Benefit**: The assistance to private for-profit businesses must have underwritten and provide either: 1) jobs or 2) goods and services to a low- moderate income area.

2. Assistance to Microenterprises: HUD defines microenterprises as a commercial enterprise with five or fewer employees, for which one or more is the enterprise's owner. Eligible activities for microenterprises do not require the public benefit test. Microenterprise assistance can also meet the limited clientele LMI Benefit National Objective based on the microenterprise business owner income.

More information on the documentation requirements and additional waivers are [outlined in the following section](#).

**Opportunity Zones and related flexibilities for economic development\*:**

Grantees may provide assistance to an economic development project through a for-profit entity that passes the funds through a financing mechanism (e.g., Qualified Opportunity Funds and New Market Tax Credit (NMTC) investment vehicles). HUD waivers clarify that the assistance can be made through any financing mechanism, not just the New Markets Tax Credits, especially in Opportunity Zones.

# Eligible Activities Charts

The following charts provide examples of CDBG-CV eligible activities for general reference only. Many flexibilities and waivers apply to eligible activities. Each community is encouraged to consult with CDBG-CV program staff about project eligibility and structure that best fits the communities' priorities.

**National Objective**

**Potential Economic Development Strategies**

- Direct Assistance For Loans**
  - Working capital
  - Acquire property
  - Clear structures
  - Build, expand or renovate a building
  - Purchase equipment to provide operating
- Technical Assistance Services**
  - Workshops
  - Assistance in development
  - Marketing
  - Referrals to lenders

**Potential Planning Projects**

- COVID-19 Economic Resilience**: Planning is future-focused and empowers the community with an entrepreneurial spirit to support economic development, and community to support economic development.
- Broadband Readiness**: Planning aims to increase the availability of resources, services, and equipment for low-and-moderate income households.
- Water Infrastructure**: Planning requires application of water utilities in their existing within a community.
- Comprehensive Planning**: Comprehensive planning use, fiscal capacity, placemaking, transportation, and recreation, broadband resources, and execution of community's overall vision.

**Potential Public Service Projects**

- Medical Services**: Carry out job training to expand the number of technicians that are available to treat COVID-19.
- Substance Abuse Treatment Services**: Provide testing, diagnosis, or other interventions.
- Mental Health Services**: Increase capacity of local facilities or services to people in need of substance abuse treatment.
- Food Assistance Services**: Increase the number of meals that can be prepared through partnerships with local restaurants to support individuals in quarantine, isolation or due to COVID-19.
- Domestic Violence Services**: Provide services or increase staffing to support survivors of domestic violence or sexual abuse.
- Services for Persons with Disabilities**: Increase services to combat barriers to the COVID-19 response.
- Child Care Services**: Increase the capacity and support to neighborhood to sustain operations.
- Digital Literacy Classes**: Increase services that expand the use of digital services, and resources.
- After-school Programs**: Purchase of laptops and hotspots so that children may access virtual classes.

**Potential Public Facilities and Infrastructure Projects**

Project Category	Coronavirus Tieback	National Objective	CDBG CV Tieback
<b>Health Facilities and Clinics</b>	X	X	X
<b>Childcare Facilities</b>	X	X	X
<b>Social Service Facilities</b>	X	X	X
<b>Accessibility and Remote Access</b>	X	X	X
<b>Improve Neighborhoods</b>	X	X	X
<b>Public Rights-of-Way</b>	X	X	X
<b>Public Improvements</b>	X	X	X

**CDBG CV Tieback (The following are examples of documentation showing a tieback to Coronavirus)**

- Health Facilities and Clinics**: The project is designed to meet COVID-19 public health measures or identify a study/local data showing that COVID-19 increases the need for medical facilities for testing, treatment, recovery, or isolation; or to establish separate areas or remote access to treat people diagnosed or exposed to the coronavirus appropriately.
- Childcare Facilities**: The project is designed to meet COVID-19 public health measures or identify a study/local data showing that COVID-19 increases the need for childcare facilities creation, expansion, or modification.
- Social Service Facilities**: The project is designed to meet COVID-19 public health measures that would make these facilities safe for clients and employees or identify a study/local data showing that COVID-19 increases the need for social service facilities creation, expansion, or modification.
- Accessibility and Remote Access**: The project is designed to meet COVID-19 public health measures or identify a study/local data showing the effects of coronavirus on people with disabilities.
- Improve Neighborhoods**: The project is designed to meet COVID-19 socially-distanced activity in areas where pedestrian volume is likely to be high and pedestrian space is limited or identify a study/local data showing that COVID-19 increases the need for outdoor spaces.
- Public Rights-of-Way**: The project is designed to meet COVID-19 public health measures or identify a study/local data showing that public rights-of-way support the prevention, preparedness, or response to COVID-19.
- Public Improvements**: The project is designed to meet COVID-19 public health measures or identify a study/local data showing that public improvements aid in the prevention, preparedness, or response to COVID-19.



# Potential Public Service Projects

Coronavirus Tieback			National Objective	LMI Benefit	Slum and Blight
Prevent	Prepare	Respond			

## CDBG CV Tieback

(The following are examples of possible documentation showing a tieback to Coronavirus)

### Medical Services

X	X	X	✓	
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Carry out job training to expand the pool of health care workers and technicians available to treat disease within a community.

Or

Provide testing, diagnosis, or other services at a fixed or mobile location.

### Substance Abuse Treatment Services or Mental Health Services

		X	✓	
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Increase capacity of local facilities or support partnerships that provide services to people in need of substance abuse recovery or emergency crisis interventions.

### Workforce Development

	X	X	✓	
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Provide job training to individuals impacted by COVID-19 looking for training to guide them back toward economic stability.

### Food Assistance Services

X	X	X	✓	
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Increase the number of meals that can be delivered by local food programs or local restaurant partnerships to individuals with medical vulnerabilities, quarantine, isolation or due to COVID-19.

### Domestic violence services

		X	✓	
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Provide services or increase staffing capacity to provide services to victims of domestic abuse or sexual abuse.

### Services for Persons with Disabilities

		X		
--	--	---	--	--

Increase services to combat barriers to inclusion of people with disabilities in the COVID-19 response.

### Child Care Services

	X	X	✓	
--	---	---	---	--

Increase the capacity and support to childcare centers in a particular neighborhood to sustain operations.

### Digital literacy classes

	X	X	✓	
--	---	---	---	--

Increase services that expand the knowledge and use of Internet products, services, and resources

### After-school programs

	X	X	✓	
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Purchase of laptops and hotspots to be provided for use by children so they may access virtual classes provided by schools.

Identify a study or local numbers on availability of medical providers/facilities that treat infectious diseases.

Identify a study or local data showing that COVID-19 increased the incidence of substance abuse or mental health services within the community.

Identify a study or local report on job disruption due to COVID-19.

Identify a study or local report on food access disruption or household food insecurity due to COVID-19.

Identify a study or local data showing COVID-19 increased the incidences of domestic violence.

Identify a study or local data showing how people with disabilities have been affected by COVID-19.

Identify a study or local report showing the Impact of COVID-19 on childcare.

Identify a study or local data pointing to the importance of developing skills to access digital platforms in light of COVID-19 response and recovery.

Identify a study or local information on school children's need for accessibility to WIFI or digital technology to adjust to virtual classes.

## CDBG CV Tieback

(The following are examples of possible documentation showing a tieback to Coronavirus)

The project is designed to meet COVID-19 public health measures or identify a study/local data showing that COVID-19 increases the need for mental health, health facilities, or substance abuse facilities.

The project is designed to meet COVID-19 public health measures or identify a study/local data showing that COVID-19 increases the need for childcare facilities creation, expansion, or modification.

The project is designed to meet COVID-19 public health measures that would make these facilities safe for clients and employees or identify a study/local data showing that COVID-19 increases the need for social service facilities creation, expansion, or modification.

The project is designed to meet COVID-19 public health measures or identify a study/ local data showing the effects of coronavirus on people with disabilities.

The project is designed to meet COVID-19 socially distanced activity in areas where pedestrian volume is likely to be high and pedestrian space is limited or identify a study/local data showing that COVID-19 increases the need for outdoor spaces.

The project is designed to meet COVID-19 public health measures or identify a study/local data showing that public rights of way support the prevention, preparedness, or response to COVID-19.

The project is designed to meet COVID-19 public health measures or identify a study/local data showing that public improvements aid in the prevention, preparedness, or response to COVID-19.

## Potential Public Facilities and Infrastructure Projects

	Coronavirus Tieback			National Objective	
	Prevent	Prepare	Respond	LMI Benefit	Slum and Blight

### Health Facilities and Clinics

		X	X	✓	
--	--	---	---	---	--

Creation or modification of buildings to provide medical facilities for testing, treatment, recovery, or isolation; or to establish separate areas or remote access to treat people diagnosed or exposed to the coronavirus appropriately.

### Childcare Facilities

	X	X	X	✓	
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Creation, expansion, or modification of childcare facilities to encourage social distancing and reduce the transmission of the virus include:

- HVAC improvements, air quality sensors to reduce airborne transmission.
- Plumbing upgrades to improve sanitation.
- The creation or improvement of outdoor spaces for childcare programs.

### Social Service Facilities

	X	X		✓	
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Creation, expansion, or reconfiguration of social service facilities include:

- Reconfiguration of reception areas and meeting rooms
- Conversion of office spaces
- Improving heating, ventilation systems, and air conditioning
- Technology upgrades to provide services remotely.

### Accessibility and Remote Access

	X	X		✓	
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Improve access to buildings for people with disabilities, such as automatic doors, touchless water fountains, accessible bathrooms and enable remote video access.

### Improve Neighborhoods

	X	X		✓	
--	---	---	--	---	--

Increase the prevalence of green space, improve the quality of neighborhood buildings, and create public spaces such as fitness, outdoor or social spaces with ample lighting suitable for pedestrian traffic.

### Public Rights-of-Way

	X	X	X	✓	
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Rehabilitation or improvements to close lanes of traffic and repurpose on-street parking or underused parking by constructing permanent barriers such as railings, fences, or planter boxes; by constructing permanent canopies or awnings by establishing appropriately spaced seating and improving lighting.

### Public Improvements

	X	X		✓	
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Reconstruction of degraded water lines supports tele-school and telemedicine and providers.

## Potential Planning Projects

	Coronavirus Tieback			National Objective
	Prevent	Prepare	Respond	LMI Benefit Slum and Blight

## CDBG CV Tieback (The following are examples of possible documentation showing a tieback to Coronavirus)

**COVID 19 Economic Recovery Plan** X X X ✓  
 Planning is future-focused and considers foreseeable needs of the community with an emphasis on local economic recovery, development, and community engagement. Prepares community to support community revitalization planning.

The project is designed to aid communities in recovering from a direct or indirect economic impact of COVID 19.

**Broadband Readiness Plan** X X ✓  
 Planning aims to increase social connectedness to a wide variety of resources, services, and products and closes the gap in education, services, and employment opportunities in many low-and-moderate income communities.

Identify a study/local data showing that COVID-19 increases the need for broadband access.

**Water Infrastructure Plan** X X ✓  
 Planning requires applicants to complete a two-utility plan for the water utilities in their communities. However, if all utilities exist within a community, the applicant must study all three.

The project is designed to improve sanitation to prepare or prevent COVID-19 or future health crises or identify a study/local data showing COVID-19 increases the need for suitable water infrastructure.

**Comprehensive Plan** X X X ✓  
 Comprehensive planning allows communities to analyze: land use, fiscal capacity, placemaking, economic development, housing, transportation, agriculture, natural resources, parks and recreation, broadband, hazard mitigation and historical resources, and execution of proposed projects to implement the community's overall vision.

The project is designed to improve the community's preparedness, response, or prevention to direct or indirect impacts of COVID-19 or identify a study/local data showing COVID-19 increases the need for a comprehensive community plan.

## National Objective

### Potential Economic Development Strategies

Typically, Economic Development activities qualify under LMI Job Retention or Creation

### CDBG CV Tieback (The following are examples to meet the PPR tieback requirement)

#### Direct Assistance to For-Profit Businesses

Assistance under this category can consist of grants, amortizing loans, forgivable loans for eligible activities such as:

- Working capital
- Acquire property
- Clear structures
- Build, expand or rehabilitate a building
- Provide operating capital

Provide capital to adapt to new market conditions and to mitigate risk in terms of business facilities, equipment, systems and staffing or avoid, reverse job loss caused by business closures related to community mitigation measures or other job loss and economic disruption resulting from Covid 19.

#### Technical Assistance Services to For-Profit Businesses

Assistance under this category can consist of direct assistance via grantee or subrecipient for eligible activities such as:

- Workshops
- Assistance in developing business plans
- Marketing
- Referrals to lenders or technical resources

Provide technical assistance and/or case management services to build capacity to prevent, prepare for, and respond to coronavirus

#### Microenterprise Assistance

Assistance under this category can consist of grants, amortizing loans and forgivable loans. Eligible activities must be designed to exclusively serve microenterprises with:

- Financial assistance
- Technical assistance

Activities can also be general services to owners and developers of microenterprises such as: training or daycare costs

Provide and expand financial assistance and services to help microenterprises prevent, prepare for, and respond to coronavirus

## Prepare, Prevent and Respond Tieback\*

HUD requires all CDBG-CV funds be used for coronavirus-related activities to satisfy the CARES Act statutory purpose. HUD did not expressly prohibit grantees from undertaking any eligible activities described in the Housing and Community Development Act of 1974.

Any proposed project must be designed to **prevent, prepare for, or respond to the coronavirus**. Grantees can assess if a project meets the PPR tieback by designing projects that address the **direct effect** or **indirect effects** of the pandemic.

A key to documenting PPR tieback is to focus on coronavirus effects or risks to the **overall economy, services, housing and infrastructure that serves low-and moderate-income neighborhoods and communities**. Grantees should consider both backward-looking and potential forward-looking risks or vulnerabilities to coronavirus. Grantees must document this relationship by recording a logical connection between the assisted activity's benefits and the coronavirus's effects.

Tie back does not mean that each assisted business or LMI person must have been negatively affected by the pandemic. The grantees can choose to design projects to drive economic recovery, infrastructure, services and overall community resiliency to respond to the coronavirus

# Documentation Requirements and Flexibilities\*

The Federal Register 6218-N-01 provided additional alternatives and flexibilities for documenting LMC and qualifying LMI Job and Economic Development activities.

## **LMI Job creation/retention**

**Income documentation:** When certifying income for job creation/retention

- It allows grantees to consider an individual that apply for or holds a job to be a “household of one” for purpose of meeting income eligibility requirements.
- It allows grantees to substitute records showing the type of job and the annual wages/salary of the job, rather than the individual’s income.

## **Economic Development**

Special Economic Development:

- 1. Public Benefit Standard:** HUD waived the aggregate public benefit standard and revised the individual public benefit standard for certain economic development activities under the assistance to the for-profit business subcategory. Grantees must document that:
  - a. The activity will create or retain at least one job full-time permanent job per \$85,000 of CDBG-CV funds used.
  - b. The activity will provide goods and services to residents of an area such that the number of LMI persons residing in the area served by the assisted businesses amounts to at least on LMI persons per \$1,700 of CDBG-CV funds used.
  - c. The assistance was provided due to business disruption related to coronaviruses, in which case, no monetary standard applies.
- 2. Financial Underwriting and Evaluation Requirement:** All special economic development projects must undergo evaluation and underwriting prior to funding.

# Duplication of Benefits\*

Grantees must remain aware of potential duplication of benefits when carrying out CDBG-CV-funded activities. Many financing programs have become available through the CARES Acts, American Rescue Plan (ARP) and other federal allocations that can be used for the same eligible activities as CDBG-CV.

Duplication of Benefits (DOB) occurs when a person, household, business, unit of local government or other entity receives financing from multiple sources for the same purpose. The total assistance received for that purpose is more than the total need for assistance. Receiving DOB could result in the required repayment of duplicative funds and de-obligation of funding.

OCRA must ensure adequate procedures are in place to prevent any duplication of benefits as required by the CARES Act and Section 312 of the Stafford Act, as amended by section 1210 of the Disaster Recovery Reform Act of 2018. DOB procedures are critical for CDBG-CV grantees to efficiently target CDBG-CV resources to meet unmet needs within the community.

When identifying eligible activities to be carried out with CDBG-CV funds, grantees can reduce the potential for duplication of benefits by designing activities that address needs not covered by other sources of financial assistance.

Some financing that may result in the duplication of benefits include:

- Federal funding from other sources
- Other CARES Act program assistance includes:
  - US Small Business Administration (SBA)- Paycheck Protection Program
  - Federal Emergency Management Agency (FEMA)- Disaster Relief Fund
  - Internal Revenue Service (IRS)- Economic Impact Payments
  - US Treasury- Unemployment Insurance Provisions
  - US Economic Development Administration (EDA)- Economic Adjustment Assistance
  - For a comprehensive list of CARES ACT programs and descriptions click [here](#)
- State or local funding from other sources
- Private or non-governmental sources
- Non-profit or faith-based groups

## Duplication of Benefits Procedure

OCRA requires each applicant to complete the [Duplication of Benefits form](#) and upload it with their application. On the form, applicants will provide details on any federal stimulus funds received and their status. Any funds not yet obligated could be considered duplicative of CDBG-CV funds and could decrease an award. For more information, review [the duplication of benefits disclosure clarification video](#).

For more information on DOB HUD requirements, visit [Federal Register, Docket No. FR-6218-N-01, section III.B.9 Duplication of Benefits](#).

### Resources:

- [HUD Duplication of Benefits Quick Guide](#)
- [OCRA Duplication of Benefits Form](#)
- [OCRA Duplication of Benefits Clarification Video](#)



# Reporting Guidance

All CDBG-CV funded activities are subject to reporting and monitoring guidance as outlined in OCRA'S CDBG Handbook Section III.

Grantees are subject to semi-annual reporting. If grantees are assisted by sub-recipients in the implementation of eligible funded activities, sub-recipients are subject to semi-annual reporting.

## **Semi-Annual Reporting**

Semi-annual reports providing updates on the status of the project must be submitted by the Grantee.

The reporting periods and due dates are as follows:

1. For the period of Jan. 1 through June 30, the report is due no later than July 31.
2. For the period of July 1 through Dec. 31, the report is due no later than Jan. 31.

The semi-annual reporting requirement begins when the Grantee receives a copy of the fully executed grant agreement from Grant Services. The reporting requirements continue until the Grantee reaches financial and administrative closeout of the grant. Claim vouchers will not be processed and no additional funds will be awarded if semi-annual reports are delinquent.

## **Subrecipient Semi-Annual Reporting**

If a Subrecipient is involved in the federally assisted project, a Subrecipient semi-annual report must be submitted for a period of five years after the administrative closeout of the grant. Report periods and due dates are the same as stated above for the Grantee semi-annual report.

The Subrecipient reporting requirement begins when the Grantee's semi-annual reporting period ends, at administrative closeout. It is the responsibility of the Grantee to monitor the performance of the Sub-recipient during the five-year period to ensure the federally assisted facility continues to meet all the stated grant goals and objectives.

## **Job Retention Reporting**

In addition, projects focused on job retention through grants and loans to small businesses are expected to report annually for two years (grants) or in perpetuity (for non-forgivable loans).

**Grantees can submit all required documentation through eGMS. All reporting reviews and monitoring are conducted by CDBG-CV program staff and Grant Services.**

### **Resources:**

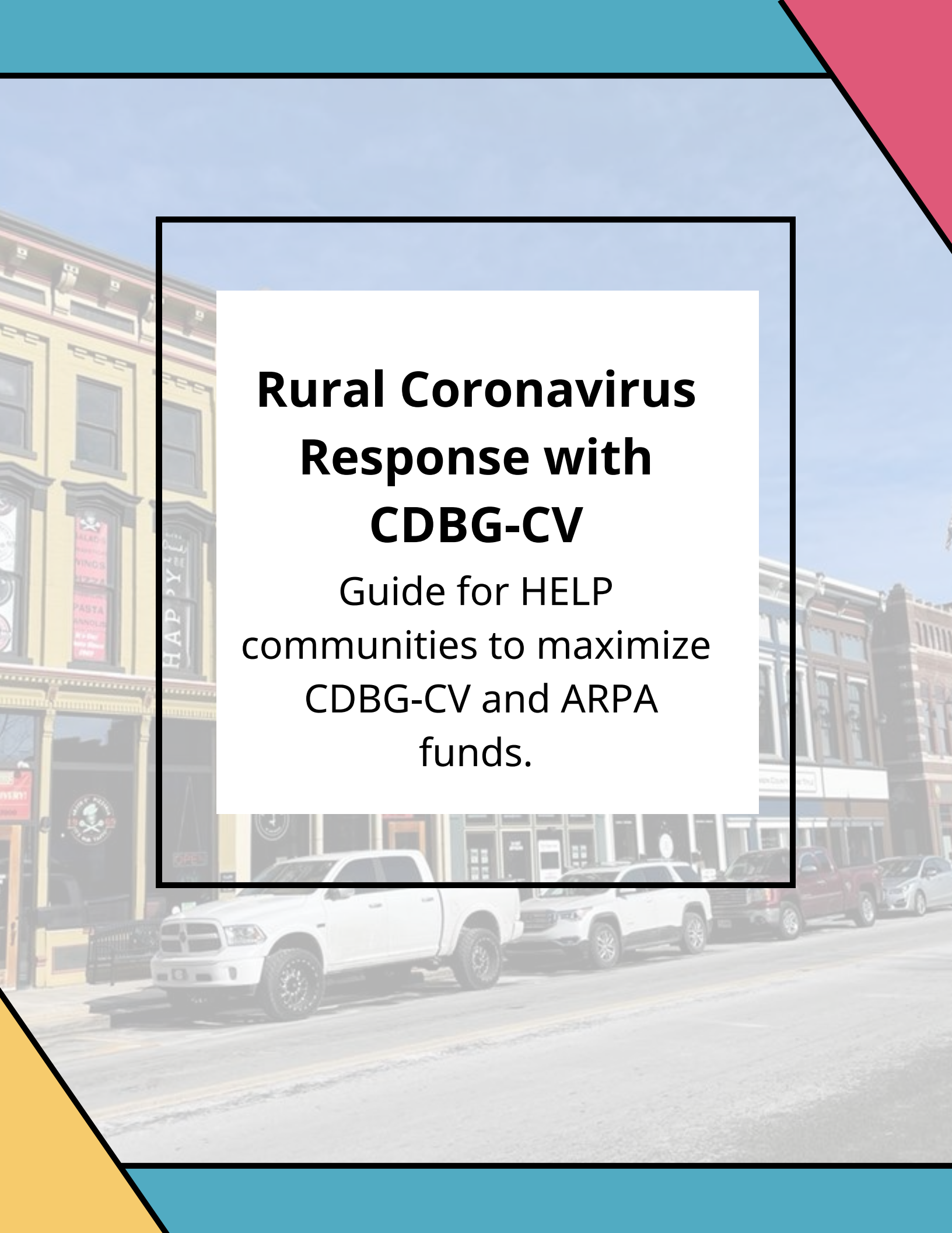
- [CDBG Handbook](#)
- [GMS Semi-annual Report Guide](#)
- [Economic Recovery Verification Form](#)
- [Economic Recovery Reporting Form - Job Retention](#)
- [Job Retention Reporting Screen Shot Guide](#)
- [Job Retention Reporting Video Guide](#)

## Expenditure Deadline\*

CDBG-CV grants are available for limited purposes under the CARES Act. Grantees must *spend* all CDBG-CV grants by **Jan. 21, 2026**.

Grantees must take the expenditure deadline into account during the project development phase.





# **Rural Coronavirus Response with CDBG-CV**

Guide for HELP  
communities to maximize  
CDBG-CV and ARPA  
funds.

As communities embark on the Hoosier Enduring Legacy program, OCRA hopes this toolkit will aid communities in understanding how to maximize the additional CDBG-CV funding made available to the nine HELP communities. CDBG staff have developed the following chart to generate suggestions for utilizing available American Rescue Funds and CDBG-CV funds for projects identified by communities in their strategic investment plan.

The charts [below](#) provide CDBG-CV eligible projects that meet all CDBG-CV requirements following the four HELP pathway assessments and ARPA spending categories: advancing e-connectivity, enhancing the quality of place, promoting community wellness and strengthening local economies.



# Guide of Eligible CDBG-CV Activities and the Four Pathway Assessment for Hoosier Endurance Legacy Program

Potential CDBG-CV Projects		Pathway Assessments & Project Identification			
Eligible Activity	Project Description	E-Connecting Advancing Connectivity	Enhancing Quality of Place	Promoting Community Wellness	Strengthening Local Economies
Planning: Comprehensive Plan	Comprehensive planning allows communities to analyze land use, fiscal capacity, placemaking, economic development, housing, transportation, agriculture, natural resources, parks and recreation, broadband, hazard mitigation and historical resources, and execution of proposed projects to implement the community's readiness to future health crisis.	Digital Readiness	Housing	Parks and Trails	Workforce Development
Planning: Covid 19 Economic Recovery	Prepares community to support community revitalization planning. Considering foreseeable needs of the community with an emphasis on local economic recovery, development, and community engagement.				Support robust local recovery

<b>Potential CDBG-CV Projects</b>		<b>Pathway Assessments &amp; Project Identification</b>			
<b>Eligible Activity</b>	<b>Project Description</b>	<b>Advancing E-Connectivity</b>	<b>Enhancing Quality of Place</b>	<b>Promoting Community Wellness</b>	<b>Strengthening Local Economies</b>
Public Facilities: Rehabilitation of Historical Buildings	Reconfiguration interior of existing historical fire station to accommodate for isolation rooms, and social distancing.		Historic Preservation		
Public Facilities: Neighborhood Revitalization	Increase the prevalence of green space and trails.		Community Facilities	Walkability/ Bike lanes	
	Improve the quality of historical neighborhoods buildings facets.		Historic Preservation		
	Create public spaces such as fitness, outdoor or social spaces with ample lighting suitable for pedestrian traffic where insufficient facilities are available.		Community Facilities	Walkability/ Bike Lanes	
Economic Development: Microenterprises	Create a grant program to help small businesses stay open and retain employees.				Small Business Revolving Loan Fund
	Provide small business with technical assistance and loans to help transition small business to telework, capital improvement, employee training and business adaptation.				Entrepreneurial Ecosystems

<b>Potential CDBG-CV Projects</b>		<b>Pathway Assessments &amp; Project Identification</b>			
<b>Eligible Activity</b>	<b>Project Description</b>	<b>Advancing E-Connectivity</b>	<b>Enhancing Quality of Place</b>	<b>Promoting Community Wellness</b>	<b>Strengthening Local Economies</b>
Public Facilities: Broadband	Create public hotspots to increase the e-connectivity in a community for people to do work, school, and access public services and resources.	Digital Adoption Support			
Public Service: After-School Programs	Purchase of laptops and hotspots to be provided for use by children so that children may access virtual classes provided by schools.	Digital Adoption Support			
Public Service: Substance Abuse Treatment Services or Mental Health Services	Increase capacity of local facilities or support partnerships that provide services to people in need of substance abuse recovery or emergency crisis interventions.			Mental Health	
Public Facilities: Sewer and Water	Reconstruction of degraded water lines supports tele-school and telemedicine and ensures potable water to homes, schools, and health providers.			Improve Infrastructure	
Public Facilities: Childcare	Modification of childcare facilities to encourage social distancing and reduce the transmission of the virus by improving HVAC, HEPA ventilations and plumbing upgrades to improve sanitation.			Childcare	
Public Facilities: ADA accessibility	Improve social service facilities access to buildings for people with disabilities, such as automatic doors, touchless water fountains, and accessible bathrooms and enable remote video access.			ADA accessibility	