

YCPC CARES ACT CDBG description:

On April 9, 2020, CPD's Acting Assistant Secretary John Gibbs released a memorandum transmitting the guide "CARES Act Flexibilities for Community Development Block Grant (CDBG) Funds Used to Support Coronavirus Response."

All CDBG-CV activities must prepare, prevent, or respond to COVID-19. Unless where specific differences are noted, the CDBG-CV programmatic requirements mirror those of CDBG. At this point, the same activities eligible under CDBG are eligible under CDBG-CV. All CDBG-CV activities must meet a national objective.

Flexibilities to expedite the process are:

April 24, 2020, the York County Planning Commission (YCPC) on behalf of the York County send a pre-application to all organizations, partners and municipalities in order to assess the need in York County. YCPC/County will be amending the current 2019 Annual Action Plan and HUD will allow expedited processes for public participation. Please note that further guidance and waivers from HUD could lead the YCPC/York County to make changes in the proposed CDBG-CV program.

So far, the YCPC/York County has been able to identify the following needs:

Public Facilities activities typically meet a national objective by benefitting low- and moderate-income (LMI) persons (see municipal Census maps prepared by YCPC using HUD census data prepared specifically for the CDBG program), who reside in the primary service area of the activity. However, public facilities activities limited to ADA improvements are considered to benefit a *limited clientele* presumed by HUD to be LMI. In cases where benefit to LMI persons is not evident, addressing *slum and blight on an area or spot basis* may apply. In very limited cases, economic development may apply. YCPC/CDBG-CV funding to support physical improvement needs at shelters and community organizations that provide housing, food, counseling and other services to low-to-moderate income individuals affected by COVID-10. This may include improvements to increase/maintain safe working conditions, or expanding services or new public facilities, such as temporary or permanent shelter.

Economic Development activity is designed to *create or retain permanent jobs* where a majority of the jobs (at least 51%), computed on a full-time equivalent basis, involve the employment of LMI.

- A) Description of how the nature of the proposed activity, in combination with the project location, will primarily benefit LMI; OR
- B) Description of how income eligibility requirements will be documented with verification of family, size and income.

Any economic development activity proposed for the CDBG-CV program would need to meet these requirements. In addition, HUD will require documentation of compliance with the prohibition of duplication of benefits, including insurance payments, and FEMA and SBA assistance.

Housing activity will be carried out for the purpose of providing or improving *permanent residential structures*, which, upon completion, will be occupied by LMI households.

- a. Description of how income eligibility requirements will be documented with verification of family size and income.

There is no current propose activity under this category for CDBG-CV.

Public Service activities generally meet national objectives by benefitting LMI persons based on *limited clientele or by household size and income documentation*.

Under the CDBG-CV funding YCPC so far have been able to establish the need of temporary rental assistance to relief and support for those who have been furloughed, experienced a reduction of pay or have been laid off due to COVID-19. Under CDBG regulations, the funding can be used for this limited period to address an emergency need. The funds will be used for direct rental payments to eligible tenants with incomes within 80% of area median income (AMI). Due to various CDBG restrictions on income and eligible expenses, YCPC will continue discussions and coordination with the non-profits involved and/or elected to address services needed for other related issues due to the virus that normally are not funded.

Planning activities are presumed by HUD to benefit LMI persons.

There is no current propose activity under this category for CDBG-CV.

National Objective 1. Principally benefit Low- and Moderate-Income persons

Benefits will be available to *all residents in a particular service area* where a majority of the residents are LMI persons:

- 1) The service area is located within a census tract (s) and block group(s), or municipality, that is at least 42.53% LMI. (At this time, HUD is using the 2010 Census data and municipal maps showing the location of LMI areas are available from www.ycpc.org "Forms and Fees" , Community Development and Housing); OR
- 2) An income survey has been conducted in accordance with YCPC procedures and the service area has been determined to be at least 51% LMI. (These LMI income limits are based on HUD Section 8 income limits, which are adjusted by family size and updated by HUD every year.) CD staff are available to assist municipalities in conducting income surveys.; OR
- 3) The service area needs to be surveyed, but "we believe that it is LMI" and describe why (type and value of housing, elderly population, etc.) If the activity is selected for funding through the 3 Year Project Plan process, the actual percentage of residents with LMI will need to be documented before the grant contract is executed.

Benefits will be available to a *limited clientele*, a majority of whom (at least 51%) are LMI:

- 1) The activity is targeted to clientele who are presumed by HUD to be LMI (*abused children, battered spouses, elderly persons, severely disabled adults age 15 or older, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers*); OR
- 2) Eligibility requirements limit the activity exclusively to LMI persons; OR
- 3) Nature of the proposed activity, in combination with the project location, can support a presumption of primary benefit to LMI persons; OR
- 4) Family size and income will be documented to show that LMI persons primarily benefit from the activity.

National Objective 2. Addressing Slum/Blight on an Area or Spot Basis:

Activity will address *slums or blight on an area basis*.

- 1) Activity is located in an area officially designated as a slum or blighted area under state or local law OR a substantial portion of deteriorated buildings and/or infrastructure exists in the area (CD staff are available upon request to conduct a slum and blight study for a designated area); AND
- 2) The proposed activity will address one or more conditions that contributed to the area's deterioration.
- 3) If the activity benefits primarily L/M *and* is in a designated slum/blight area, please note *both* in the application.

Activity will address *slums or blight on a spot basis*.

- 1) Deteriorated buildings and/or infrastructure, including historic structures; AND
- 2) Activity specifically addresses the conditions of blight and physical decay.

Description of Program Flexibilities under the CARES ACT provisions for CDBG-CV

- ◇ All CDBG-CV activities must meet a national objective.
- ◇ Public Service Cap is eliminated for CDBG-CV funds and for years 2019 and 2020 for use of COVID -19 related activities.
- ◇ Reimbursement for costs to prevent, prepare for, and respond to the COVID-19 incurred can be cover regardless of the date if it is CDBG eligible
- ◇ CDBG-CV funds are to be used as gap funding only. Funds may not be used if another source of financial assistance is available to pay that cost. This includes SBA and FEMA assistance and loans.
- ◇ CDBG-CV funds will not impact the County's Timeliness Test.

DUPLICATION OF BENEFITS

The Federal government provides disaster relief primarily through the Federal Emergency Management Agency (FEMA) and the Small Business Administration (SBA) to meet emergency, short-term recovery needs. The most appropriate use of HUD CDBG funds is generally for longer-term needs of affected areas. FEMA provides temporary housing and non-housing needs such as food and clothing, grants toward infrastructure and public building reconstruction, and improvements to prevent damage from future disasters. The SBA provides loans to businesses and individuals for impacted property not covered by insurance. Before making assistance available, a grantee must verify that a proposed HUD CDBG activity will not be funded by FEMA or the SBA and that advance payments from these or other sources will not duplicate the HUD CDBG assistance.

Grantees should be cautious of potential duplication of benefits and the resulting penalties that could occur when administering any program or activity to provide financial assistance to address losses that result from a major disaster or emergency. Section 312 (42 U.S.C. 5155) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. 5121 et seq.) prohibits duplication of benefits for programs that provide financial assistance to people or entities suffering losses because of a major disaster or emergency.

Duplication of benefits occurs when Federal disaster recovery funding is provided for the same costs paid by any other source, or for costs to repair or replace losses that have or will be paid by private insurance, and the total amount received exceeds the total need for those costs.

For example, if a family's damaged home costs \$100,000 to repair and the homeowner received \$100,000 in insurance proceeds for structural loss, the homeowner could not also receive federal disaster recovery funds to repair the home. Any additional federal assistance would duplicate the assistance already provided which fully addressed the recovery need. If a family receives \$80,000 in insurance proceeds for structural loss, and the repair costs are \$100,000, the family could receive

\$20,000 of additional recovery resources without duplicating benefits. Insurance payments can take time to process. Grantees must reduce assistance by the amount of anticipated insurance or other sources of assistance, or provide assistance on a temporary basis that can be recovered when the beneficiary receives insurance proceeds or other assistance for the same purpose.

Grantees should also consider how they will work closely with other entities to best serve residents and to avoid duplication of benefits. HUD assistance is intended to supplement, not replace, other public, private, and nonprofit sector resources that have already been provided for the same need or loss. Prior to providing CPD program assistance to address losses that result from a major disaster or emergency, a grantee should review and document a household's eligibility, financial resources, support networks, and other assistance available