



April 2, 2020

Mr. John Gibbs
Acting Assistant Secretary
U.S. Department of Housing and Urban Development
Office of Community Planning and Development
451 7th Street SW
Washington, DC 20410

Dear Mr. Gibbs:

The CARES Act (PL 116-136) was signed into law on March 27, 2020 in response to the widespread and severe effects of the COVID-19 pandemic. The supplemental package includes \$5 billion under the Community Development Block Grant (CDBG) program to facilitate state and local response efforts. COSCDA recognizes the importance of this funding at this critical stage in combatting the COVID-19 outbreak and serving vulnerable populations. Additional guidance is requested at this time to direct planning and engagement on state CDBG administration.

COSCDA recommends the following actions to better accommodate state CDBG administration:

- As directed in the legislation, the 15% public services cap is waived on FY19, FY20, and supplemental funding through the CARES Act. Any additional guidance regarding utilizing public services beyond the 15% cap would be helpful.
- Due to ongoing emergency conditions and need to expedite aid, states recommend issuing a waiver allowing direct distribution of funds to non-profits (sub-recipients).
- Additional information on public notice requirements will allow states to prepare future citizen participation outreach. To expedite this process, elected official should be removed from the public notice requirement.
- For the portion of funding (up to \$1b) reserved exclusively for states, guidance is needed on administering funds with entitlement communities.
- A waiver on expedited citizen participation and amendments regarding use of previous CDBG funds will accelerate states' ability to use prior-year funds for coronavirus-related needs.

- Guidance which includes waiving procurement standards - similar to language included in the CARES Act for Homeless Assistance – recognizes emergency procedures and facilitates state response.
- On duplication on benefits, guidance is needed to clarify how this applies to COVID-19 response in different CDBG activities including small business assistance and public services. Interagency coordination would additionally support this guidance. Clarification is also sought stating non-COVID CDBG allocations are exempt from duplication of benefits.
- Guidance on eligible/allowable expenses under federal sources not covered by the Stafford Act (e.g. regular CDBG, CHF/CoC homeless funds) would inform state CDBG program activities.
- Emergency monthly housing payments – states need to have flexibility to establish delivery mechanisms for these allowable housing payments using existing rehab/repair program, or delivery through local housing authorities or homeless prevention programs.
- On eligible expenses incurred before enactment of the legislation, clarification is sought on timelines which reimbursement of activities are allowed.
- Guidance is also needed regarding environmental review application on activities ahead of enactment of the legislation.
- States are at various stages of updating action and consolidated plans. Clarification on allowed activities ahead of plan submission would facilitate state response to COVID-19. Based on the emergency response needed for COVID-19, states recommend HUD waive its requirement on submitting action plans ahead of distributing funds.
- As a result of budget constraints experienced from the impact of COVID-19, states and UGLGs will not have resources available to adequately cover administrative costs. States recommend a 5% cap on administration and technical assistance for states applied across all set-aside funding in the CDBG provision of the law. This cap is consistent with the administrative cap applied to states in the disaster recovery program. The current cap is not sufficient to respond to the overwhelming COVID-19 related impacts states are facing. Additionally, matching funds should not be required.

COSCOA appreciates HUD – Community Planning and Development (CPD) for your dedication and support to the COVID-19 response. State program administrators are available to provide further clarification to our recommendations if needed.

Thank you for your consideration.

Sincerely,

Dianne E. Taylor

Dianne E. Taylor
Executive Director