



MEMBER ALERT

March 27, 2020

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Vote Scheduled Today on CARES Act, A Closer Look at the Bill

The House is set to vote later today on [H.R. 748](#), the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The legislation would provide \$2 trillion in varying measures of assistance to individuals, businesses, healthcare providers, and units of government. The House will attempt to pass the bill on voice vote barring no House member objects to this procedure. A summary of the legislation is available [here](#).

The bill includes \$5 billion for the Community Development Block Grant (CDBG) program and \$4 billion in Emergency Solutions Grants (ESG) to be used in response to COVID-19.

Of the amount for CDBG:

- \$2 billion is allocated using the FY20 formula (allocations made within 30 days of enactment)
- \$1 billion is provided to states for response measures in both entitlement and non-entitlement communities using a new formula based on public health, transmission risk, number of cases compared with national average, economic and housing market disruptions, and other factors determined by the HUD secretary (allocations made within 45 days of enactment)
- \$2 billion is allocated to states and local governments based on impact of COVID-19 on jurisdictions using a new formula determined by the HUD secretary with priority on transmission risk, cases compared to the national average, and economic and housing disruptions from coronavirus (allocations made on a rolling basis)

The following provisions apply to this funding:

- Funding provided may be used to reimburse allowable costs incurred by state and local governments regardless of the date when costs were incurred
- FY19 and FY20 consolidated and action plan deadlines are extended from August 16, 2020 to August 16, 2021
- HUD is permitted to waive requirements it deems necessary to facilitate or expedite distribution of funding (except for requirements on labor, environmental, nondiscrimination, and fair housing)
- \$10 million is provided for TA providers through new awards or increases to existing awards in facilitating coronavirus response
- Grantees are given the option of suspending in-person public hearings and instead holding virtual public meetings with notice of at least 5 days
- The 15% cap on Public Services is suspended

Of the amount for ESG:

- \$2 billion is allocated using the FY20 formula (allocations to be made within 30 days of enactment)
- \$2 billion is provided through a new formula set by the HUD secretary based on transmission risk, rates of sheltered and unsheltered homeless, and economic and housing conditions of geographic areas (allocations made within 90 days of enactment)

The following provisions apply to this funding:

- Assistance eligibility is extended to very low income individuals (as determined by HUD) at risk of homelessness
- Funding can be used to cover or reimburse allowable costs related to coronavirus response including costs incurred before enactment of the legislation
- Regular procurement standards can be waived in procuring goods and services in coronavirus response
- Grantees may use 10% of funds for administrative costs
- Citizen participation and match requirements do not apply in distributing funds
- Temporary shelters are eligible expenses including property leases, temporary structures, and other activities, and minimum period of use standards do not apply
- Environmental review standards do not apply in utilizing temporary shelters
- Funds are eligible to be used for infectious disease prevention and mitigation training, and hazard pay for staff in coronavirus response; these activities are allowed expenses outside of the 10% administrative cap
- HUD is permitted to waive regulations or statutes in program implementation necessary to facilitate coronavirus response (except for fair housing, nondiscrimination, labor standards, and environmental unless otherwise previously noted)
- One percent of funding can be used to make new awards or increase existing awards to TA

providers with experience in providing health care services to homeless populations

COSFDA continues to support increased flexibility in CPD program rules and processes for COVID-19 response activities. As Congress aims for a fourth stimulus package possibly as soon as next month, COSFDA will advocate for additional federal assistance to aid state housing and community development needs caused by this unprecedented pandemic.