

# Community Development Block Grant – Coronavirus (CDBG-CV) Frequently Asked Questions



## **Q: What is the purpose of the Community Development Block Grant Coronavirus Aid, Relief, and Economic Security (CARES) Act funds?**

**A:** Under the CARES Act, Community Development Block Grant – Coronavirus (CDBG-CV) federal funding has been made available to states to prevent, prepare for, and respond to the COVID-19 pandemic. In partnership with the U.S. Housing and Urban Development (HUD) Community Development Block Grant Program, the Florida Department of Economic Opportunity will administer the allocated funding to communities throughout the state.

## **Q: How much funding was allocated to the state of Florida?**

**A:** The state of Florida was allocated a total of \$285.6 million in Round 1, Round 2, and Round 3 of HUD's allocation of CDBG-CV funds. Of this total, DEO is responsible for administering \$100 million for the state of Florida.

- **Round 1** - \$16.7 million to the state to administer in non-entitlement communities (Small Cities Community Development Block Grant Program).
- **Round 2** - \$63.1 million to the state to administer in entitlement and non-entitlement communities.
- **Round 3** - \$20.2 million to the state to administer in non-entitlement communities (Small Cities Community Development Block Grant Program).

The remaining \$185.6 million will go directly to HUD Entitlement communities. During Round 1 of the CDBG-CV funds, the HUD Entitlement communities received approximately \$75 million, and just over \$110 million in CDBG-CV Round 3 funds through a formula allocation that will be administered directly by these communities.

## **Q: Who is eligible to apply for CDBG-CV Small Cities (Non-Entitlement) Program funds?**

**A:** The following units of local government are eligible to apply for funds through the Non-Entitlement Program, also known as the Small Cities CDBG Program:

- Cities with fewer than 50,000 residents that have not accepted special entitlement status and have not opted to join an entitlement program;
- Counties with fewer than 200,000 residents; and
- Cities with more than 50,000 residents that have opted out of the urban entitlement program.

Visit the [CDBG-CV Small Cities Program Eligible Communities List](#) to see a list of local governments that HUD has identified as being eligible to apply for Small Cities CDBG-CV funding.

## **Q: Who is eligible to apply for CDBG-CV Entitlement Program funds?**

**A:** The following units of local government are eligible to apply for CDBG-CV Entitlement Program funds administered by DEO:

- Principal cities of Metropolitan Statistical Areas (MSAs);
- Other metropolitan cities with populations of at least 50,000; and
- Qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities).

Visit the [CDBG-CV Entitlement Program Eligible Communities List](#) to see a list of local governments that HUD has identified as being eligible to apply for Entitlement CDBG-CV funding.

**Q: How is it determined if individuals or families meet the low- and moderate-income eligibility requirements?**

**A:** An individual is considered low- and moderate-income (LMI) based on their annual family income. To be classified as LMI, an individual or family's total annual income must be equal to or below 80% of the U.S. Department of Housing and Urban Development (HUD) median income for the county or area where they reside.

**Q: How is it documented that a project or program meets the low- and moderate-income eligibility requirements?**

**A:** LMI eligibility can be determined four ways: area benefit, limited clientele, jobs, and housing.

- 1- **Area Benefit** – When using Area Benefit to determine eligibility, it is required for at least 51% of the residents in a service area to have low to moderate incomes, and services provided must be targeted to individuals living in the qualifying area. If the community is using the Area Benefit as the national objective, the community will need to:
  - Identify the boundaries of the service area;
  - Demonstrate that at least 51% of people living in the area have low or moderate incomes by using the CDBG Low- and Moderate-Income Data Map Application, Census data, or by conducting an income survey; and
  - Demonstrate that the area is primarily residential through a zoning map.
- 2- **Limited Clientele** – Using “Limited Clientele” to determine eligibility requires that the project or activity is exclusively benefiting the designated or targeted population. Eligibility can be documented in one of two ways:
  - If the program is designed to serve a specific presumed group, as defined by the Department of Housing and Urban Development (HUD). HUD “presumed groups” include abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, persons with AIDS, and migrant farm workers; OR
  - Income verification, which requires documentation of family size and income to show at least 51% of the individuals served are low- and moderate-income.
- 3- **LMI Jobs** – The LMI Jobs national objective is used when assisting for-profit businesses that have agreed to create or retain jobs for predominantly (51%) low- and moderate-income persons. Eligibility can be documented with a signed self-certification form. Waivers that have been issued for CDBG-CV job creation/retention projects are outlined below.
- 4- **LMI Housing** – An LMI housing activity is one that provides benefits to a low- and moderate-income household that is qualified based on data about household size and income. This information must be documented and verified. For such activities to qualify under the LMI benefit national objective, it must result in housing that will be occupied by low- and moderate-income households upon completion. The housing can be either owner- or renter-occupied and can be either one family or multi-unit structures.

Additional information on this topic can be found in [Section 3.6 of the Guide to National Objectives and Eligible Activities for State CDBG Programs](#).

**Q: What are the waivers related to CDBG-CV economic development (job creation/retention)?**

**A:** There are a few waivers related to economic development projects utilizing CDBG-CV funds.

- When certifying income for job creation/retention, you may use the annualized salary of the job and the one-person household income limit to qualify the person/position.
- The public benefit standard per job is raised to \$85,000 per job created/retained per project.
- The public benefit standard may be waived if the assistance is provided to avoid complete economic collapse within the grantee's jurisdiction.

- The grantee may 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 due to COVID-19, if the project does not meet LMI requirements. The state of Florida is restricted to use of no more than 30% of funds on activities that do not benefit the LMI population.

**Q: Is there a waiver related to CDBG-CV and government buildings for COVID-related renovations?**

**A:** There is no waiver for the use of CDBG-CV funds on buildings for the general conduct of government, such as City Hall or Town Hall. The use of CDBG-CV *may* be eligible for COVID-related uses for buildings that are owned by a local government but do not serve as a building for the general conduct of government. As defined in Section 102(a)(21) of the HCDA, the term “buildings for the general conduct of government” means “city halls, county administrative buildings, State capitol or office buildings or other facilities in which the legislative or general administrative affairs of government are conducted.” Buildings that house administrative functions of the government are considered “buildings for the general conduct of government.”

**Q: What is a Duplication of Benefit (DOB)?**

**A:** A duplication of benefits occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance.

**Q: What is the timeline for the CDBG-CV application process?**

**A:** The pre-application cycle opens Monday, February 1, 2021, for both CDBG-CV Entitlement and Small Cities programs. CDBG-CV Entitlement and Small Cities program funds will be awarded following a pre-application and final application process for eligible activities approved by DEO. All available details on the CDBG-CV program can be found on DEO’s [Community Development Block Grant – Coronavirus Relief Funding](#) webpage.

**Q: How will Non-Entitlement applications be scored?**

**A:** All program specifics are outlined in the CDBG-CV Small Cities Program Guidelines document on DEO’s [Community Development Block Grant – Coronavirus Relief Funding](#) webpage.

**Q: Is leverage funding part of the scoring criteria?**

**A:** Due to the nature of the funds, it is unlikely that leverage funding will factor in the scoring criteria. Final details on all scoring criteria is available on DEO’s [Community Development Block Grant – Coronavirus Relief Funding](#) webpage.

**Q: What if a municipality or subrecipient already has an active CDBG grant agreement?**

**A:** A municipality or subrecipient with an active CDBG Housing, Economic Development, Neighborhood Revitalization, Downtown Revitalization grant is eligible to apply for CDBG-CV funds. Capacity to administer multiple grants will be evaluated to ensure all municipalities and subrecipients are able to successfully administer all awarded CDBG funds.

**Q: What is the timeframe for CDBG-CV projects?**

**A:** CDBG-CV applications can be structured up to an 18-month project, depending on the project activities. The CARES Act stipulates that the majority of CDBG-CV funds be expended and claimed within three years (i.e, by September 29, 2023).

**Q: How do I access additional information on the CDBG-CV program?**

**A:** All relevant Community Development Block Grant – CV program resources DEO has to-date can be found on DEO’s [Community Development Block Grant – Coronavirus Relief Funding](#) webpage.

**Q: Are the CDBG-CV grants subject to normal CDBG requirements?**

**A:** All requirements of DEO’s regular CDBG programs are applicable to the CDBG-CV funds. This includes all applicable cross-cutting requirements such as Procurement, Financial Management, Environmental Review, Recordkeeping, etc.

**Q: Are the CDBG-CV funds subject to the normal Administrative Rule?**

**A:** The administrative rule that governs the Small Cities CDBG Program is [Rule Chapter: 73C-23, Florida Administrative Code](#). Certain parts of this rule will also govern the use of CDBG-CV funds.

**Q: Is the cost to prepare an application for CDBG-CV funds considered an eligible pre-agreement expense?**

**A:** Municipalities who intend to request a reimbursement for consultant grant writers MUST follow CDBG procurement requirements as outlined in the [Procurement and Labor Standards](#) requirements. Should the applicant receive an award, the cost may be reimbursed with funds budgeted for Administration, subject to DEO’s review and approval for compliance with program requirements.

**Q: What is the allowable amount for grant administration utilizing CDBG-CV funds?**

**A:** A maximum of 8% of the total grant amount will be available for grant administration fees. Grantees who intend to utilize CDBG-CV funds for grant administration services MUST follow the CDBG procurement requirements as outlined in the [Procurement and Labor Standards](#).

**Q: Does the use of CDBG-CV funds generate Program Income?**

**A:** Yes. All revenue generated from the use of CDBG-CV funds become regular CDBG Program Income.

**Q: How long will it be before we receive funding?**

**A:** Program timelines for both the Entitlement Program and the Small Cities Program can be found on DEO’s [Community Development Block Grant – Coronavirus Relief Funding](#) webpage.

**Q: How will Small Cities applications be scored?**

**A:** An overview of the scoring criteria can be found in the table below. Additional details can be found on DEO’s [Community Development Block Grant – Coronavirus Relief Funding](#) webpage and in the CDBG-CV Small Cities Program Guidelines.

I.	Readiness to Proceed
II.	Low- to Moderate-Income (LMI) Impact
III.	COVID-19 Economic Impact to the Community
IV.	Experience, Past Performance and Organization Capacity
V.	Need and Justification
VI.	Cost Reasonableness and Feasibility of Project

DEO is continuing to work diligently to respond to community needs, provide flexibility and deploy resources as quickly as possible to support critical work. For more information on other COVID-19 resources available to our current grantees/borrowers, municipalities, nonprofits and businesses, please visit:

<https://covid19.floridajobs.org>