



Housing Alliance
of Pennsylvania

New Community Development Block Grant (CDBG) Funding from the Federal Stimulus (CARES Act)

PA's Share of CDBG, ESG, and HOPWA from the CARES Act

- Pennsylvania will receive \$112,700,822 in CDBG from the \$2 billion of new funding following the FY20 allocations
 - A total of \$5 billion in new CDBG funding was included in the CARES Act.
 - The balance of \$3 billion will be allocated according to two new formulas to be created by HUD reflecting coronavirus needs data.
- PA will receive \$56,157,191 in Emergency Solutions Grant (ESG) funds from \$1 billion in new funding following the FY20 allocations.
 - A total of \$4 billion in ESG was made available through the CARES Act. The remaining \$3 billion will be allocated according to a new formula to be created by HUD reflecting homeless coronavirus needs data.
- PA will receive \$1,794,637 in HOPWA funds from the \$53.7 million following the FY20 allocations.
 - Another \$11.3 million will be made available along with \$10 million in competitive HOPWA grants were included in the CARES Act.

[FY20 CARES allocations to PA jurisdictions](#)

How Quickly Can Funds be Used?

According to the language in the CARES Act, the \$2 billion in funds following the FY20 allocations are supposed to be released within 30 days of its enactment. Of the remaining \$3 billion, \$1 billion will be allocated within 45 days of the bill's enactment and \$2 billion will be distributed on a rolling basis. The funds will remain available through September 30, 2022.¹

To reposition funds in response to the COVID-19 pandemic, HUD has expedited the process for changes to consolidated plans to allow for more timely responses to the needs of the community. HUD issued a waiver for 2020 for the public comment period to amendments in consolidated plans be reduced from a minimum of 30 days to five days. It also waived the minimum number of citizens that need to be involved in the plan to allow these grantees to determine what constitutes reasonable notice and opportunity to comment given their circumstances.²

¹ <https://crsreports.congress.gov/product/pdf/IN/IN11315>

² <https://files.hudexchange.info/resources/documents/Availability-of-Waivers-of-CPD-Grant-Program-and-Consolidated-Plan-Requirements-to-Prevent-the-Spread-of-COVID-19-and-Mitigate-Economic-Impacts-Caused-by-COVID-19.pdf>

What Can the Funds be Used For?

HUD has listed [eligible activities](#) for the use of CDBG funds specifically for the medical and safety response to the COVID-19 pandemic. There is no limitation for the use of the allocated in FY19 and FY20 funds for public services activities to prevent, prepare for, and respond to coronavirus.³

CDBG for Rental Assistance

CDBG can be used for rent payments; this is not a new provision added as part of the CARES Act.

CDBG funds may not be used to provide *on-going* income payments such as paying for a tenant's rent or a household's mortgage. The only exceptions to this are: – Income payments that are provided as a loan; or – Income payments that are *emergency in nature and do not exceed three consecutive months*.⁴ According to NLIHC, these types of payments typically fall under the public services cap. With the cap removed for FY19 and FY20 allocations, these is potential to expand this allowable use of CDBG funds.⁵

Important Waivers to CoC, ESG, and HOPWA Regarding Rental Assistance⁶

- Limit on Eligible Housing Search and Counseling Services Requirement:
 - The limitation on eligible housing search and counseling activities is waived so that CoC Program funds may be used for up to 6 months of a program participant's utility arrears and up to 6 months of program participant's rent arrears, when those arrears make it difficult to obtain housing. This waiver is in effect one-year beginning on the date of this memorandum.
- Restriction of Rental Assistance to Units with Rent at or Below FMR Requirement:
 - Waiving the limit on rental assistance to rents that are equal to or less than the FMR, established by HUD, will assist recipients and subrecipients in more quickly locating additional units to house individuals and families experiencing homelessness.
- Housing of Persons Living with AIDS
 - The authority to provide housing assistance payments for rent, mortgage, utilities for up to 24 months.
 - The authority to use funds to self-isolate, quarantine, or provide other CDC-recommended infection control services for household members not living with HIV/AIDS.
 - The authority to use funds to provide relocation services (including lodging at hotels, motels, or other locations) for persons living with HIV/AIDS and household members not living with HIV/AIDS.⁷

The information provided herein is for informational purposes. Information changes often. For the most up to date information regarding the distribution and allocation of CDBG and other HUD Community Planning and Development funds, please visit HUD's website.

³ <https://www.congress.gov/bill/116th-congress/house-bill/748/text>

⁴ <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-4-Housing.pdf>

⁵ <https://nlihc.org/resource/hud-cpd-announces-initial-cares-act-cdbg-esg-and-hopwa-supplemental-formula-allocations>

⁶ <https://files.hudexchange.info/resources/documents/Availability-of-Waivers-of-CPD-Grant-Program-and-Consolidated-Plan-Requirements-to-Prevent-the-Spread-of-COVID-19-and-Mitigate-Economic-Impacts-Caused-by-COVID-19.pdf>

⁷ https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_049