



## COVID-19 Federal Resource Guideline Series: HUD's Community Development Block Grants (CDBG)

### *What needed activities and services do HUD's Community Development Block Grants provide or pay for?*

The U.S. Department of Housing and Urban Development's (HUD's) Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

CDBG funds can be used by states and local governments for the following broad ranging eligible activities: to benefit low- or moderate-income families and individuals; eliminate or prevent slums or blight; and meet the urgent public health or safety needs of residents. For homeless providers and policy makers, CDBG funding can be used to address immediate housing stability needs, housing and shelter rehabilitation and construction, down payment assistance, and public services activities such as transportation and healthcare.

HUD has issued [guidance](#) to grantees regarding the CARES Act CDBG Funds Used to Support Coronavirus Response and forthcoming waivers. Additionally, CDBG funds can be used to:

- **Address immediate housing stability needs:** by paying rent and mortgage payments for up to three months directly to the landlord or to the mortgage financing company for currently due or future payments. Late or past due payments are likely not permitted.
- **Provide public services:** by funding for counseling, job training, transportation, health care and alcohol/drug treatment and eliminates the 15% cap on the amount of grant funds that can be used for public services activities.
- **Building improvements, including public facilities:** by providing funding for hotels/motels to improve physical distancing in isolation, or providing funding for constructing or rehabilitating public facilities, such as shelters for people experiencing homelessness and domestic violence survivors.

### *Who is eligible for CDBG funding?*

States and local governments can use CDBG funds to strengthen communities by improving housing, living environments, and economic opportunities, principally for persons with low and moderate incomes.

### *What funds are available?*

The CARES Act committed \$5 billion to CDBG. Of that, \$2 billion in direct funding was allocated to states and localities under the CDBG program's current formula; \$1 billion for states to prevent, prepare for and respond to the coronavirus; and the final \$2 billion will be distributed based on a new formula created by HUD, to assess needs arriving from the coronavirus pandemic. While the CARES Act provides greater flexibility to address local needs, the immediate housing and health needs of the most vulnerable should be the focus.

*How can you find more information?*

Homeless services providers and system leaders should contact [current CDBG grantees](#) to identify eligible activities utilizing the \$2 billion in funding under the current formula and the \$1 billion in funds to respond to the coronavirus. Providers should also review future guidance from HUD regarding the remaining \$2 billion that has yet to be allocated.