COVID-19 Funding through the Community Development Block Grant (CDBG) Program:

Updated Guidance as of March 25, 2021

The Community Development Block Grant (CDBG) program has long been used by partners across the Commonwealth to create vibrant, competitive communities of choice. These are places that create, grow, attract, and retain businesses, as well as meet unique and specific community needs. In an effort to prepare, prevent, and respond to the COVID-19 pandemic, CV-funds will be made available on an open, rolling basis for small businesses, food security projects, and emergency housing and homeless services.

<u>**Item Eligibility**</u>

- Small Business Recovery Assistance
- Rapid Re-Housing
- Non-congregate shelter support
- Homeless Services
- Meals/food delivery services (including to motels/hotels)
- Food security/food pantry support

<u>**Applicant Eligibility**</u>
Applicants for CDBG-CV funds should be non-entitlement units of local government (see 2021 Program Design for list of eligible localities); non-congregate shelter support may be eligible to entitlement communities through existing non-congregate shelter providers. These local governments can create implementation partnerships with planning district commissions, non-profit organizations, economic development authorities, and other competent entities to undertake project activities through a memorandum of understanding (MOU).

Regional Projects
Regional projects are encouraged, although documentation or other evidence of local government, Planning District Commissions, and non-profit partnerships may be required upon application submission.

<u>**Leverage Requirement**</u>
There is no match requirement; however, additional funding may be needed to effectively address local business concerns and create a robust program. If other funding is committed to the project, please include it within the project budget.

<u>**Administrative Activities**</u>
Localities and partners can be reimbursed for administrative costs (typically 10% of project cost).

<u>**Business Eligibility Criteria**</u>
Assistance through the program must be targeted to businesses that meet each of the following five criteria:

1. Locally or regionally owned,
2. 20 or fewer employees,
3. Has been impacted by COVID-19 (documentation will need to be provided),

4. No duplication of benefits occurs from any other funding sources, _AND_
5. Provides local or regional services.
6. The maximum benefit to any individual business is $15,000 per business.

Grant Details
- The grant amount is determined by the locality based on the demonstrated need for the service.
- Grant funds can be used to reimburse for COVID-related expenses beginning March 12, 2020 or later.
    - Food security projects:
        - Hot meals/meal preparation operations
        - Meal/fresh produce delivery programs
        - Food voucher programs (contact DHCD is you are interested in this area)
    - Homeless services & emergency housing:
        - Non-congregate shelters
        - Free clinics/using hotels/motels for emergency shelter operations
    - Rent/mortgage relief:
        - Up to 6 months of rent/mortgage payments may be made for a single business.
        - The funding amount and duration of rent payments will be determined at the time of application based on individual needs of the business.
        - Rent payments can extend beyond the initial contract agreement, if both parties deem them necessary.
        - Rent relief cannot be used to pay off previous debt owed on rent/mortgage payments (payments can only be applied to COVID-related impacts).

Submission Requirements:
STEP ONE: Letters of interest should be submitted by the locality to matt.weaver@dhcd.virginia.gov and rachel.jordan@dhcd.virginia.gov.

STEP TWO: After the submission of the letter of interest, the agency will seek additional information from the locality and any partners to further develop project activities, timing, budget, deliverables, and amount requested. Once Step Two is completed, the locality will submit a complete application through our online management system, CAMS: https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx

Keep up to date on news on all DHCD COVID-19 Resources here.

Please note this is a working document and is subject to change. DHCD reserves the right to deny funds to any activity(ies) not meeting eligibility requirements.