SOUTH CAROLINA CDBG-CV1 PROGRAM

Public Services and Public Facilities and Improvements
Frequently Asked Questions (As of 3/9/21)

Grant Program Questions

Q. WHAT IS THE DIFFERENCE BETWEEN PUBLIC SERVICES AND THE PUBLIC FACILITIES AND IMPROVEMENTS PROGRAM?

A. Public Services projects are for a new or quantifiably increased public services that will primarily benefit low and moderate income (LMI) individuals and are needed to prepare for, respond to and prevent the coronavirus.
Public Facilities and Improvement projects address the significant need to adapt, retrofit or rehabilitate existing schools and other publicly owned facilities to provide services in a manner that complies with public health guidelines. Public facilities and improvements projects must also be needed to prepare for, respond to, or prevent coronavirus and proposed projects that primarily benefit LMI individuals will be given priority.

Q. HOW ARE PROJECTS SELECTED FOR FUNDING?

A. Projects for which CDBG-CV1 funding is requested must be eligible and fundable. Projects must meet a national objective, must be needed to prepare for, respond to, or prevent coronavirus, and must not duplicate benefits. Additionally, the State will evaluate proposed projects based on several other factors:

Public Service
- Projects must demonstrate that they are a new or quantifiable increase in the level of an existing service due to COVID-19.
- Projects must not exceed the dedicated allocation of funds in each region.
- Priority consideration will be given to projects that meet an LMI national objective.

Public Facilities and Improvements
- Priority consideration will be given to projects that meet an LMI national objective.
- Additional priority consideration will be given to projects involving schools with at least 75% of students receiving SNAP or TANF or in poverty.
- Projects will be scored based on priority for LMI benefit over other objectives, regional coordination, and consistency with regional priorities for CARES Act funding, project feasibility, capacity to administer project and project timeframe, other available resources to complete the project.

Q. HOW WILL I BE NOTIFIED THAT MY PROJECT HAS BEEN ACCEPTED FOR FUNDING?

A. The contact entity listed on the application who is point of contact for correspondence will receive an email detailing project award once your application has been approved.

Q. WHAT IS THE ADMINSTRATIVE COST ATTACHED TO THE PROGRAM?

A. The State has established an administrative cost cap for the funded units of local government of 10% and cannot be exceeded over the life of the grant, including closeout, monitoring, reporting, record retention, etc. Administrative funds must be necessary to program implementation and reasonable. Federal guidelines define a "reasonable cost" as one that does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Further, these costs must not significantly deviate from an entity's established practices and policies regarding the incurrence of costs.

Q. WHAT ARE THE REPORTING REQUIREMENTS FOR APPROVED PROJECTS?

A. Approved projects have reporting requirements as follows-
1) Quarterly report needs to be completed in the application portal.
2) Annual report needs to be completed in the application portal.
3) If your project generates program income, program income is required to be reported.
4) Other Reports- If awarded funds from these programs, the State may require submission of other reports and information as it determines is necessary to carry out its responsibilities under the regulations of these funds or other applicable laws.

DEADLINE QUESTIONS

Q. WHEN IS THE DEADLINE TO SUBMIT APPLICATION FOR MY REGION?

A. The State is using a two-step application process that requires submission of an Intent to Apply where proposed projects will be screened for initial eligibility and fundability. Once projects have preliminarily been determined eligible and fundable, applicants will receive an email with a link to the final application portal.

Key Application Dates
- Public Services-
  - Intent to Apply: Rolling basis
  - Application Window: Application portal opens March 1, 2021 and will remain open for priority consideration through July 1, 2021. After July 1st, if funding remains available, all applications from eligible non-entitlement units of local government will be considered.
- Public Facilities and Improvements-
  - Intent to Apply: Rolling basis
  - Application Window: Application portal opens March 1, 2021 and will remain open until May 31, 2021. Applications will be evaluated starting on June 1st with notifications of project selection beginning July 1st.

Eligibility Questions

Q. WHICH SCHOOL DISTRICTS ARE ELIGIBLE TO RECEIVE PRIORITY CONSIDERATION FOR PUBLIC FACILITIES AND IMPROVEMENTS PROJECTS?

A. Additional priority consideration will be given to projects involving schools with at least 75% of students receiving SNAP or TANF or in poverty.

Q. CAN CDBG-CV1 FUNDS BE USED TO ASSIST A FOOD BANK PURCHASING AND DELIVERING EMERGENCY FOOD FOR CURRENT AND NEW BENEFICIARIES? HOW CAN WE MEET NATIONAL OBJECTIVE?

A. Yes. For a food bank located in and serving a primarily residential low/mod area, the grantee may document compliance with low-and-moderate-income (LMI) area benefit national objective criteria. For a food bank serving a non-LMI service area, the regulations provide that the grantee may meet the LMI limited clientele national objective in one of two ways. One way is to document how the nature and location of the activity will result in at least 51 percent of the beneficiaries being LMI. Another would be to collect a simple verifiable income certification from program beneficiaries and that at least 51 percent of the beneficiaries attest that they are LMI. Please note that people 62 years and older are considered 'elderly persons' and are presumed to be principally LMI.
Some grantees have provided a pro tip on obtaining this documentation: If the beneficiary signs a paper certification and the grantee or subrecipient uses a cell phone document scanning app to collect the image prior to instructing the beneficiary to place the completed certification in a storage box, collection of such certifications can be contactless. Either wipe down the pen between signers or provide hand sanitizer.

Q. IF A COUNTY ACTS AS A "LEAD" FOR A REGIONAL APPLICATION, WILL ALL INCLUDED COUNTIES NEED TO SUBMIT A NEEDS ASSESSMENT?

 A. Each local government included in a regional application will be required to submit a needs assessment that covers their area at the time of application. An application with one County designated as the "lead", is a regional approach to submitting a CDBG-CV1 application, where the Lead County or Regional Council of Government may complete and submit the needs assessment for all other local governments within the regional application (often smaller and more rural municipalities).

Q. ARE RESIDENTS OF AN ENTITLEMENT CITY WITHIN A NON-ENTITLEMENT COUNTY ELIGIBLE TO RECEIVE THE PUBLIC SERVICES FUNDED THROUGH THIS PROGRAM?

A. No, the State CDBG-CV1 funds are being made available for non-entitlement units of local government only.

Q. CAN COSTS RELATED TO EXPANDING A PUBLIC SERVICE PROGRAM IN RESPONSE TO COVID BE REIMBURSED?

A. Yes, these expansions due to COVID are eligible, however all grant requirements for those services must have been met at the time the costs were incurred, such as documentation of national objective, procurement, environmental reviews, etc.
If you are considering requesting the reimbursement of costs related to an expansion of a public service, please contact SCCDBG.CV1@sccommerce.com to discuss further.

Q. ARE BROADBAND PROJECTS ELIGIBLE?

A. Yes, some broadband projects may be eligible as either a public service or public facilities and improvements projects depending on the activities involved. As with all other projects, applicants are encouraged to consider how each project will meet a national objective, the timeline of the proposed projects, and the application scoring criteria, and funding priorities of the State. Additional consideration should be given to the environmental review requirements for some broadband projects, which may require a full review (and may even encounter wetlands) and the timeframes associated with those requirements.

Q. WHEN IS A PERSON CONSIDERED 'ELDERLY' FOR PRESUMED BENEFIT UNDER LMI CLIENTELE?

A. People 62 years and older are considered 'elderly persons' and are presumed to be principally LMI.

Q. ARE VEHICLES AN ELIGIBLE PURCHASE WITH CDBG-CV1?

A. Maybe. The purchase of personal property and equipment is generally ineligible. However, HUD allows grantees to purchase personal property, fixtures, and equipment when necessary, provided that such items constitute all or part of a public service. HUD provides the following examples of use of equipment that constitutes all or part of a public service, where the equipment and supplies are owned by the grantee or a subrecipient providing the service:

- Ventilators or other medical equipment and supplies that will be used in providing health care at a field clinic, or
- A vehicle outfitted with medical equipment to provide mobile health care.

While the purchase of a vehicle to carry out a public service is not ineligible, applicant communities/COGs are encouraged to consider other, potentially more cost-effective methods of meeting the increase in demand for a service. The requirement to consider alternatives stems from the procurement regulations at 2 CFR 200.318(d):

> "The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. **Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.**"

Q. ARE MEAL DISTRIBUTION PROGRAMS ELIGIBLE UNDER PUBLIC SERVICES?

A. Yes, as with all public service projects, the funding must be used to cover a new or quantifiable increase in an existing public service. The activity must meet a national objective, must not duplicate benefits, and must be necessary to prepare for, prevent, or respond to the coronavirus.

Q. CAN YOU BUY COOLERS FOR FOOD DISTRIBUTION PROGRAMS?

A. Yes, as with all public service projects, the funding must be used to cover a new or quantifiable increase in an existing public service. The activity must meet a national objective, must not duplicate benefits, and must be necessary to prepare for, prevent, or respond to the coronavirus. Assuming the food distribution program in question meets all the above criteria, the purchase of personal property and equipment is eligible when necessary, provided that such items constitute all or part of a public service. Additionally, CDBG-CV1 funds may be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.

Q. IS INTERNET ACCESS ELIGIBLE UNDER PUBLIC FACILITIES OR PUBLIC SERVICES?

A. Public services may include the installation of equipment needed to provide internet access or the provision of wireless routers to income-eligible persons or households. There is a monthly cost for accessing Internet service, and some households may be unable to afford the cost. Subsidizing the cost on behalf of an individual or family would be eligible as a public service.

A business or nonprofit/municipal internet provider receiving CDBG-CV1 assistance may simply be asked to reduce the cost of providing Internet service in some neighborhoods/areas.

Other types of broadband projects, like laying trunk lines, may be eligible as a public facilities and improvement project. HUD cautions that while these types of projects may be eligible, they may not be feasible or able to meet a national objective.

Q. CAN CDBG-CV1 FUNDS BE USED TO PAY UTILITY BILLS?

A. Yes, South Carolina will allow CDBG-CV1 funds to be used to pay utilities **on behalf of residents** to non-governmental utility providers. Direct payments to utility providers are **not** allowed, they must be done on behalf of LMI individuals. Proper documentation must be maintained to ensure that all costs incurred are eligible and how the amount of assistance was determined necessary and reasonable. The activity must meet a national objective, must also prepare for, prevent, or respond to the coronavirus, and does not duplicate other benefits.

Q. FOR HOW LONG CAN CDBG-CV1 FUNDS BE USED TO PAY UTILITY BILLS?

A. HUD has granted a waiver that allows the emergency payments to be made to cover a period of no longer than 6 months.

Q. CAN UV DISINFECTING LIGHTS BE PURCHASED USING CDBG-CV1 FUNDS?

A. Yes. The purchase of personal property and equipment is eligible when necessary, provided that such items constitute all or part of a public service. As with all public service projects, the funding must be used to cover a new or quantifiable increase in an existing public service. The activity must meet a national objective, must not duplicate benefits, and must be necessary to prepare for, prevent, or respond to the coronavirus. The disinfecting lights would need to be purchased as part of an eligible public service activity.

Q. WOULD THE INSTALLATION OF DISINFECTION EQUIPMENT AT TRANSIT STOPS BE ELIGIBLE UNDER PUBLIC FACILITIES?

A. No, the purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG-CV1 funds may be used, however, to purchase such items when necessary and constitute all or part of a public service.

Q. FOR PPE DISTRIBUTIONS, WHAT ARE THE HUD/CDC GUIDELINES FOR PURCHASES?

A. Here are the CDC guidelines for PPE-
- Nonsterile, disposable gloves
- Hand sanitizer above 60% alcohol content

Here are the CDC guidelines for Masks:
- Have two or more layers of washable, breathable fabric
- Completely cover your nose and mouth
- Fit snugly against the sides of your face and does not have gaps
- Have a nose wire to prevent air from leaking out of the top of the mask
- *Do not use*: N95 Respirators unless you are a medical worker, face shields

Q. IS IT POSSIBLE TO APPLY FOR MULTIPLE, UNRELATED PUBLIC SERVICES IN ONE APPLICATION?

A. Yes, multiple public services may be included in a single application. For example, one application may include a request for an expanded food distribution program for seniors and the purchase of a vehicle outfitted with medical equipment for mobile testing/vaccination.