

**South Carolina Department of Commerce
Community Development Block Grant Program**

**Substantial Amendment to the 2020 Annual Action Plan for CDBG-CV
CDBG-CV Program Description**

(Amended April 2021)

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**Substantial Amendment to the 2020 CDBG Program Description for
The CARES Act for CDBG-CV**

(Amended April 2021)

Overview

On March 27, 2020, the president signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The \$2 trillion aid package provides financial aid to families and businesses impacted by the COVID-19 coronavirus pandemic. Funding was provided to multiple Federal Agencies and programs, including HUD and three of the Consolidated Plan Programs: CDBG, ESG and HOPWA.

The CARES Act made \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds available to prevent, prepare for, and respond to the Coronavirus. HUD allocated these funds in three rounds.

- Tranche I (CDBG-CV1) - The CARES Act required HUD to allocate up to \$2 billion in CDBG-CV funds using the same formula that it used to allocate fiscal year 2020 CDBG grants. HUD made this first CDBG-CV allocation on April 2, 2020.
- Tranche II (CDBG-CV2) – HUD was required to allocate an additional \$1 billion for states and insular areas to prevent, prepare for, and respond to coronavirus within the state or insular area. CDBG-CV2 allocations were based on factors identified in the CARES Act: public health needs, risk of transmission of coronavirus, number of coronavirus cases compared to the national average, economic and housing market disruptions, and other factors. HUD made this second round of CDBG-CV allocations on May 11, 2020.
- Tranche III (CDBG-CV3) - The CARES Act provided that the remaining \$2 billion be distributed directly to states or units of general local government, according to a formula based on factors to be determined by HUD, prioritizing risk of transmission of coronavirus, number of coronavirus cases compared to the national average, and economic and housing market disruptions resulting from coronavirus. HUD announced this funding on September 11, 2020.

CDBG-CV Funding Availability

Under the three rounds of CDBG-CV CARES Act funding, South Carolina's State CDBG program has been allocated \$39,499,819, as follows:

- CDBG-CV1 - \$12,456,807 in the first tranche of CDBG-CV funds
- CDBG-CV2 - \$14,859,490 in the second tranche
- CDBG-CV3 - \$12,183,522 in the third tranche

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The Federal Register Notice for CDBG-CV provided multiple waivers and flexibilities, including the ability of states to carry out activities directly, provided that the amount of the first-round allocation, or \$12,456,807, be reserved or set-aside for eligible local governments in non-Entitlement areas of the state. The second-round allocation may be used in both Entitlement and non-Entitlement areas of the state and may be distributed by the State directly. The third-round methodology was based on needs assessment indicating the highest priority need nationwide was for emergency rental assistance. The State's Plan for CDBG-CV reflects HUD's priorities for CDBG CARES Act funding.

CARES Act provided other flexibilities, including suspension of the public services cap during the emergency and allowing States and local governments to reimburse costs of eligible activities incurred for pandemic response regardless of the date. The HUD Federal Register Notice for CDBG-CV added additional flexibilities, including 1) allowing the state to use up to 5% of the CDBG-CV allocation for general program administration and up to 2% for technical assistance, 2) allowing states to carry out activities directly, and 3) providing alternative requirements for meeting the LMI jobs national objective.

While many of the same rules that apply to regular CDBG program funds also apply to CDBG-CV funds, the funds must be kept separate. To distinguish the two programs, the CARES Act funding is referred to as CDBG-CV and is considered a supplemental appropriation. CDBG-CV funds will have separate reporting requirements and expenditures will be tracked separately from the regular CDBG program. Also, a key consideration is that activities must not result in duplication of assistance, where cumulative assistance from all sources exceeds the amount of the need, and projects must be needed to **prepare for, respond to and prevent coronavirus.**

Citizen Participation

To facilitate expedited distribution of CARES Act funding to individuals impacted by the coronavirus pandemic, the CARES Act included provisions for Citizen Participation. Due to the urgent nature of the coronavirus pandemic, the CARES Act provided for a shorter 5-day period of public comment for CDBG-CV and HOPWA-CV, a virtual public hearing for CDBG-CV, and notification for ESG-CV. HUD made available waivers of the standard requirements, which could be requested by the State agencies that will administer ESG-CV, HOPWA-CV and CDBG-CV funds. These waivers modify the standard citizen participation requirements for a substantial amendment to a Consolidated Plan or Action Plan, which typically require making the draft amendment available for 30 days for the public to review and comment. A second waiver allows a virtual public hearing for CDBG-CV.

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The State requested both waivers from HUD, and the CARES Act process for Citizen Participation has been and is being followed for all amendments to the 2020 Annual Action Plan for the CARES Act.

- The State's substantially amended Citizen Participation Plan (State CP Plan) was made available during a 5-day public comment period from May 19 to May 23, 2020. The draft State CP Plan was available during the period on www.cdbgSC.com.
- The May 2020 Substantial Amendment to the 2020 Annual Action Plan for the CARES Act for ESG-CV1 and HOPWA-CV was made available in conjunction with the draft State CP Plan and was also posted on www.cdbgSC.com and available for public comment from May 19 to May 23, 2020.
- The September 2020 Amendment to the 2020 Action Plan for the CARES Act for ESG-CV2 was made available from September 16 through September 20, 2020 and was posted on the www.cdbgSC.com website.
- Each program involved in each amendment also notified program constituents and interested parties electronically regarding the availability of the draft plan and the website from which it could be downloaded. The State also notified program constituents regarding the amended Citizen Participation Plan.

In order to access CARES Act funding for CDBG, the State has prepared this current third amendment to the 2020 Action Plan for the CARES Act for CDBG-CV. The draft substantial amendment is being made available for public comment and review for seven days, from November 12 to November 18, 2020. The draft Amendment can be downloaded from the www.cdbgSC.com website. The State will also hold a virtual public hearing on November 16, 2020 at 2pm. Any public comments received by the State will be included in the final document submitted to HUD.

These substantial amendments to the Action Plan have been and are in accordance with the substantially amended State citizen participation plan, which incorporates the flexibility provided in the CARES Act reducing the public comment period to not less than 5 days and allowing grantees to use virtual public hearings when necessary for public health reasons.

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CDBG-CV Public Services & Facilities Program

Overview

To respond to the COVID 19 pandemic and the needs of local governments, South Carolina is amending the 2020 Annual Action Plan and CDBG Program Description to allow eligible non-Entitlement grantees to apply for new or quantifiably increased public service activities or critical need improvements to publicly owned facilities, such as schools, where the activities or improvements are specifically to prevent, prepare for, or respond to the COVID 19 pandemic. These funds must be spent in the State’s Non-Entitlement areas. This is possible because the CARES Act waived the public services cap for CDBG-CV funds, which normally limits these activities to no more than 15% of the CDBG allocation.

CDBG-CV1 Method of Distribution

CDBG-CV1 funds of approximately \$12.5 million will be allocated to the CDBG-CV Public Services and Facilities Program. Funds will be available to eligible non-Entitlement local governments for new or quantifiably increased public services, public facilities improvements, and short-term housing assistance activities that the State will carry out on a non-Entitlement county government’s behalf, to benefit its residents, where such activities are needed to respond to the COVID 19 pandemic in the State’s non-entitlement areas. The State will implement this program primarily through a contractor, which will coordinate the application and award process, provide technical assistance as needed, and implement and monitor project implementation and closeout. When requested by non-Entitlement local county governments to carry out activities on its behalf, the State will carry these activities out through agreement with the SC State Housing Authority under the SC Stay Program. All pertinent materials will be posted on the cdbgSC.com website, including the full application and any program guidance and documents, as they become available.

Funding distribution will initially be as shown below, but the State may adjust these funding levels based on need.

Community Services	\$8,584,833
Critically Needed Public Facility Improvements	\$3,000,000
5% Administration	\$622,840
2% Technical Assistance	\$249,134
Total CDBG-CV1 Funding	\$12,456,807

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Public facilities funding will be competitive, based on need, and priority will be given to applications involving schools that need to be refitted or rehabilitated to adapt to emerging community and public health needs related to the coronavirus. Priority will also be given to school districts with at least 75% of students receiving SNAP or TANF or in families meet the federal guidelines for poverty.

Community Services funds will initially be available regionally, to local government applicants within the ten Regional Council of Government areas in the state. The CDBG-CV amount allocated to each region is based on the number of non-entitlement counties in the region, as follows:

Region	# Counties	# Non-Entitlement Counties	Regional CDBG-CV Public Services Allocation **
Appalachian	6	4	\$858,483
BCD	3	2	\$429,242
Catawba	4	4	\$858,483
Central Midlands	4	2	\$429,242
Lowcountry	4	4	\$858,483
Lower Savannah	6	6	\$1,287,725
Pee Dee	6	6	\$1,287,725
Santee-Lynches	4	4	\$858,483
Upper Savannah	6	6	\$1,287,725
Waccamaw	3	2	\$429,242
Total		40	\$8,584,833

** Regional allocation equals total CDBG-CV Public Services for grants (\$8,584,831), divided by 40 non-entitlement counties (\$214,621), and multiplied by the number of non-entitlement counties in the region.

State administrative funds will be used by the State for program management and to implement the program as described in this plan. Administrative funds will also be used to monitor and report on program activities to ensure timely distribution and compliance with program requirements. Management practices will ensure appropriate accountability in the expenditure of funds to avoid fraud, waste or mismanagement in the administration of these funds. Funding for state administrative and technical assistance costs will come from CV2 and CV3.

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CDBG-CV Public Services Program Description

To respond to the COVID 19 pandemic and address the increase in needs for public services in non-Entitlement regions of the state, \$8,584,831 in CARES Act CDBG-CV1 funding is being made available to localities 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.

Eligible activities may include a wide variety of activities, including but not limited to personal protective equipment (PPE), COVID-19 testing and contact tracking, food pantries, food distribution and delivery for elderly or other primarily LMI residents, child care required for LMI residents to maintain employment, after school education, senior services, etc. HUD provided the following examples of public service activities that would eligible for CDBG-CV and are needed to prepare for, respond to and prevent coronavirus:

- Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
- Provide testing, diagnosis or other services at a fixed or mobile location.
- Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
- Provide equipment, supplies, and materials necessary to carry-out a public service.
- Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.
- Short-term housing assistance to be carried out by the State to benefit residents of the non-Entitlement local county government region, to assist homeowners and renters financially impacted by COVID-19, under the CDBG CV2 & 3 Short-Term Housing Assistance Program.

All eligible public services that can be related to the coronavirus and are needed to prepare for, respond to or prevent coronavirus will be considered.

All projects must meet a national objective and propose eligible activities.

Eligible Applicants

Any eligible non-Entitlement county government can request that the State carry out short-term housing assistance activities on its behalf, for the benefit of its LMI county residents, under the CDBG CV2 & 3 Housing Assistance Program. CP must include this activity. Any eligible non-entitlement local government can apply for the Public Services Program. However, regional cooperation is encouraged, especially where projects involve common providers that will benefit multiple local governments or regions within a county. Only

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one application should be submitted for such projects by a local or county government with the capacity to serve as the lead applicant and implement the project. This is to help provide regional coordination to achieve economies of scale and efficiency of delivery.

Maximum Grant

There is no grant maximum grant for regional and county-wide projects reflecting regional coordination. Other projects may request up to \$250,000, but this may be waived where there are no other applicants from the region and the level of need supports the funding requested. Short-term housing assistance funding will depend on the number of eligible applicants who have submitted applications using the SC Stay Program online application portal, number of months reimbursement up to the maximum six consecutive months for which they are eligible, unduplicated assistance amount, and available program funding.

Application Deadline & Application Selection

Requests that the State carry out short-term housing assistance on the behalf of a non-Entitlement county government should be submitted as soon as possible. Applications for the Public Services Program will be accepted on a rolling basis, for funding allocated to each region. Regional and county-wide applications will receive first consideration, provided they reflect regional coordination and regional priorities for CARES Act funding. Funding for regional and county-wide applications will be considered beginning March 1, 2021, and funding decisions will be based on need if requests exceed available funding. Each region should submit funding priorities prior to March 1, 2021. Where no regional priorities have been submitted, funding for regional and county-wide projects will be first-come, first-serve.

Funds remaining after regional and county-wide projects will be awarded on a first-come, first-serve basis for each region. Intent to Apply submissions will be accepted until July 1, 2021, as long as regional funding remains for projects determined to be eligible and fundable. After July 1, 2021, any regionally allocated funds not yet awarded will become available to any eligible non-entitlement local government in the State.

Projects for which CDBG-CV funding is requested must be eligible for CDBG-CV, meet a HUD national objective, and be deemed feasible. Requests will be evaluated to ensure:

- Need for the project to prepare for, respond to or prevent coronavirus
- CDBG Fundability
 - Eligible activity
 - National objective

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- Priority for LMI benefit over other objectives
- Project Feasibility
- No duplication of benefits

Applicants will submit an Intent to Apply form to be considered for CDBG-CV funding. Please see the instructions for submitting an Intent to Apply. Note that:

- Regional and county-wide projects will be given first consideration for the regional allocation, provided they reflect regional coordination and regional priorities for CARES Act funding. Funding decisions will be made based on need where funding requests exceed funding availability. Other projects will be considered on a first-come, first-serve basis after regional and county applications have been considered.
- Projects with activities meeting the LMI national objective will be given priority consideration.
- Projects with the potential to address significant COVID-19 related needs throughout the region will be given priority consideration.
- Projects indicating the Urgent Need eligibility will be subject to the HUD limitation on the percentage of overall funding that can be used for non-Low to Moderate Income national objectives. HUD requires that 70% of CARES Act CDBG-CV funds benefit LMI. This applies to the entire CDBG-CV allocation to the State. For this reason, Urgent Need projects will be carefully screened and funding availability cannot be guaranteed for projects meeting this national objective.

Applicants with eligible, fundable projects will be invited to submit a final application, dependent on funding availability. Invitation to submit final application letters will be sent to the local government indicated on the Intent to Apply submission. Unsuccessful local governments will be contacted and notified with a written decision.

The Intent to Apply form, the full application and all other program materials will be posted on the cdbgSC.com website as available.

Eligible Activities

New or quantifiably increased eligible public services needed to prepare for, respond to or prevent the effects of coronavirus and short-term housing assistance activities that a non-Entitlement county government may request the State to carry out on its behalf, for the benefit of LMI residents of the county. Activities should not duplicate other State CDBG-CV program activities. For example, applicants interested in developing their own short-

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term housing assistance program, which would otherwise qualify for CDBG-CV assistance as a public service, should not apply under the CDBG-CV Public Services & Facilities Program.

Guidance from HUD provides clarification on new or quantifiably increased public services: CDBG-CV funds may only be used for those public service activities that are new or that represent a quantifiable increase above the level of an existing service that has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the state in which it is located) in the 12 calendar months before the submission of the action plan, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government.

CDBG 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.

The purchase of personal property and equipment is generally ineligible. However, HUD allows States to use the entitlement CDBG regulation at 24 CFR 570.207(b)(1), which 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.

Ineligible Activities

Any activity that is not directly related to the prevention of, preparation for, or response to the Coronavirus, or constitutes a duplication of benefits, is not eligible. Other activities specifically ineligible for CDBG and CDBG-CV assistance include:

- Direct payments (payments must go to service providers)
- Political activities

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National Objectives

In addition to ensuring that all CDBG-CV funds are used to prevent, prepare for, and respond to the Coronavirus, all projects must meet the following national objective of the CDBG program:

- LMI benefit
- Urgent need (limited)

Specific public service activities must benefit all residents of a service area that is at least 51% LMI and primarily residential (LMI Area Benefit), or a benefit a specific targeted group of persons of which at least 51 percent must be LMI (LMI Limited Clientele). In order to meet the LMI Limited Clientele criteria, the activity must:

- Serve at least 51 percent LMI, as evidenced by documentation and data concerning beneficiary family size and income;
- Have income-eligibility requirements which limit the service to persons meeting the LMI income requirement, as evidenced by the administering agency's procedures, intake/application forms, income limits, and other sources of documentation;
- Serve a group primarily presumed to be LMI such as abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers; or
- Be of such a nature and in a location that it may be concluded that the activity's clientele is LMI.

To comply with HUD requirements, at least 70% of CDBG-CV funds expended must benefit low- and moderate-income persons.

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CDBG-CV Public Facilities Program Description

To respond to the COVID 19 pandemic and 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, \$3 million (\$3,000,000) in CARES Act CDBG-CV1 funding is being made available to non-Entitlement counties in the state. Projects must involve critically needed public improvements or improvements to public facilities, such as schools, that are needed to respond to, prepare for or prevent coronavirus. The public improvements or facilities must benefit all residents of the service area and must serve primarily low and moderate income (LMI) individuals.

All eligible public facilities improvements and other public improvements that can be directly related to the coronavirus and are needed to prepare for, respond to or prevent coronavirus will be considered. But priority will be given to schools in districts where at least 75% of students are receiving SNAP or TANF subsidies and are in families that meet the federal guidelines for poverty.

All projects must meet a national objective and propose eligible activities.

Eligible Applicants

Any non-Entitlement county government may apply. Other local governments within entitlement counties that do not participate in the County Entitlement may also apply.

Maximum Grant

There is no grant maximum.

Application Deadline & Application Selection

Intent to apply forms will be due no later than July 1, 2021, but applicants are encouraged to submit an Intent to Apply as soon as possible. Applications should reflect regional coordination. 80% of CDBG-CV funds must be expended within 3 years of HUD approval of the CDBG-CV Substantial Amendment to the 2020 Annual Action Plan and the date the CDBG-CV grant agreement with HUD is signed. The anticipated deadline for expending funds is November 15, 2023. Delaying submission of the Intent to Apply may affect viability and fundability. Expenditure deadlines will be posted on the cdbgSC.com website.

Projects for which CDBG-CV funding is requested must be eligible for CDBG-CV, meet a HUD national objective, and be deemed feasible. Requests will be evaluated to ensure:

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- Need for the project to prepare for, respond to or prevent coronavirus
- CDBG Fundability
 - Eligible activity
 - National objective
 - Priority for LMI benefit over other objectives
- Project need, as evidenced for schools by poverty and percentage of households in the service area receiving SNAP or TANF.
- Regional coordination and consistency with regional priorities for CARES Act funding
- Project Feasibility
- Project timeframe and ability to expend funds by the 3-year expenditure deadline
- No duplication of benefits

Projects involving schools with at least 75% of students receiving SNAP or TANF or in poverty, and projects meeting the LMI national objective, will be given priority. Projects that reflect regional priorities and can be completed by November 2023 will also be given priority, in order to facilitate expenditure of funds by the 3-year deadline. Eligible and fundable projects will then be evaluated on the basis of need, impact, extent of other available resources, capacity of the recipient to successfully carry out the project and project timeframe. Full applications will be invited, dependent on funding availability.

Applicants will submit an Intent to Apply form to be considered for CDBG-CV funding. Please see the instructions for submitting an Intent to Apply. Note that:

- Projects indicating the Urgent Need eligibility will be subject to the HUD limitation on the percentage of overall funding that can be used for non-Low to Moderate Income national objectives. HUD requires that 70% of CARES Act CDBG-CV funds benefit LMI. This applies to the entire CDBG-CV allocation to the State. For this reason, Urgent Need projects will be carefully screened and funding availability cannot be guaranteed for projects meeting this national objective.

The full application and all other program materials will be posted on the cdbgSC.com website as available.

Eligible Activities

Eligible activities may include a wide variety of public facility improvements and public improvements, as well as related equipment. Examples include but are not limited to HVAC and air filtration improvements, expansion or remodeling of classrooms to facilitate social distancing, equipment or public

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improvements needed to expand or improve internet access, etc. However, the improvements must be critically needed to prepare for, respond to or prevent the effects of coronavirus.

Ineligible Activities

Any activity that is not directly related to the prevention of, preparation for, or response to the Coronavirus, or constitutes a duplication of benefits, is not eligible.

Beyond that, neither the CDBG statute nor the CDBG regulations define the terms “public facilities” or “public improvements.” However, in the CDBG program, these terms are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public. This would include neighborhood facilities, firehouses, public schools, and libraries.

However, this category does not authorize expenditures for “buildings for the general conduct of government.”

- As defined in the statute, 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, judicial or general administrative affairs of government are conducted.” Generally speaking, buildings which house administrative functions of the government are considered to be “buildings for the general conduct of government” and are not eligible for CDBG or CDBG-CV assistance.

National Objectives

In addition to ensuring that all CDBG-CV funds are used to prevent, prepare for, and respond to the Coronavirus, all projects must meet the following national objective of the CDBG program:

- LMI benefit
- Urgent need (limited)

Public facilities activities must benefit all residents of a service area that is at least 51% LMI and primarily residential (LMI Area Benefit), or a benefit a specific targeted group of persons of which at least 51 percent must be LMI (LMI Limited Clientele).

For the purposes of meeting the LMA national objective, HUD guidance specifies that schools are considered to serve all residents of the service area and qualify to meet this national objective.

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In order to meet the LMI Limited Clientele criteria, the activity must:

- Serve at least 51 percent LMI, as evidenced by documentation and data concerning beneficiary family size and income;
- Have income-eligibility requirements which limit the service to persons meeting the LMI income requirement, as evidenced by the administering agency's procedures, intake/application forms, income limits, and other sources of documentation;
- Serve a group primarily presumed to be LMI such as abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDS and migrant farm workers; or
- Be of such a nature and in a location that it may be concluded that the activity's clientele is LMI.

To comply with HUD requirements, at least 70% of CDBG-CV funds expended must benefit low- and moderate-income persons.

CDBG-CV Public Services & Public Facilities Program Requirements

Threshold

There is no threshold requirement, but an individual unit of local government may submit only one application for public services and one for public facilities.

Match

There is no match requirement.

Local Citizen Participation

The applicant must have completed a needs assessment in accordance with regular CDBG requirements within the past year. The applicant must follow CDBG citizen participation requirements and may utilize virtual public hearings for needs assessments and application public hearings. Access to information for non-English speaking residents must also be provided as appropriate.

Other Program Requirements

In addition to the eligible activities and national objective requirements of CDBG and CDBG-CV, all other regular CDBG program requirements apply. These include environmental review, procurement, fair housing and equal opportunity, anti-displacement and relocation plans, etc. The CARES Act also

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requires that no duplication of benefits occurs as a result of providing the assistance. HUD indicates that a duplication occurs when a person, household, business, or other entity receives coronavirus response assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need.

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CDBG-CV Short-Term Housing Assistance Program

CDBG-CV Short-Term Housing Assistance Program

Overview

In allocating CDBG-CV3 funding, HUD recognized the need for rental assistance for families and individuals impacted by the coronavirus across the nation. This emerged as such a high priority in HUD’s analysis of needs and development of CDBG-CV3 methodology that it prioritized CDBG-CV3 funding for short-term rental assistance. The State received a \$12,183,522 allocation from HUD which is targeted for short-term housing assistance.

Given the growing need for this type of assistance, the State has also allocated the second-round CDBG-CV2 funding of \$14,859,490 to this program. This brings total funds available for the short-term housing assistance program, SC Stay to \$27,043,012.

The South Carolina State Housing Finance and Development Authority (the Authority or “SCSHFDA”) has been tasked by the State of South Carolina as the lead agency in providing safe, decent, and, affordable housing for all citizens. CDBG-CV2 and CV3 funding will be available for up to six consecutive months of short-term rental and mortgage assistance for eligible low to moderate income families. Households requesting assistance:

- Must certify that they are eligible and their income is at or below 80% of county median income adjusted by family size.
- Must demonstrate that they are unable to pay all or part of the rent or mortgage, or are behind on their rent or mortgage, due to circumstances stemming from the coronavirus. Examples of this include, but are not limited to, lost wages due to layoff or reduced hours as a result of an employer going out of business or reducing staff, inability to work due to infection with COVID-19 and required quarantine, quarantine of a family member, etc.
- Must have landlord or lender confirmation of their past due status.

CDBG-CV2 & CV3 Method of Distribution

\$27 million in CDBG-CV2 and CV3 funding is being allocated to the Short-term Housing Assistance Program. The State will enter into an intergovernmental agreement with the Authority, which will work with contractors, to identify and certify eligible Low to Moderate income households in need of short-term housing assistance as a result of conditions associated with COVID-19. Payments will be made to landlords and lenders for up to six consecutive months of housing assistance.

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CDBG-CV2 and CDBG-CV3 funds will be distributed as follows:

Short-term rental assistance CV2 (60%)	\$8,291,596
Short-term mortgage assistance CV2 (40%)	\$5,527,730
Short-term rental assistance CV3 (60%)	\$6,798,406
Short-term mortgage assistance CV3 (40%)	\$4,532,270
Total CDBG-CV Short-term housing assistance	\$25,150,002**
State Program Administration (5%)	\$1,352,150
Technical Assistance (2%)	\$540,860
Total CDBG-CV2 and CV3 Funding	\$27,043,012

** The Authority may elect to modify the funding set-asides based on need.*

*** At least \$1 million is set-aside for residents of non-entitlement counties where the county government has requested that the State carry out short-term housing assistance activities on its behalf, for the benefit of its county residents. Non-entitlement county governments must request assistance from the State and request that the State carry out short-term housing activities, through the SC Stay Program, on its behalf.*

Citizen Participation

The State began conducting consultation to assess COVID-19 related needs when the initial CDBG-CV1 CARES Act funding was announced. Stakeholder and constituent agencies and organizations include the Governor’s Office, the State Legislature, the SC Office of Regulatory Staff, the SC Department of Education, the SC Department of Commerce, the State Housing Authority, economic development organizations throughout the state, the ten regional Councils of Government and local governments. The State is also conducting a community development needs survey and a broadband needs survey as part of the needs assessment for the upcoming 2021-2025 Consolidated Plan. Participants in these surveys have provided additional information on needs related to COVID-19 and included local governments, the Regional Councils of Government, economic development agencies, internet service providers, public and private agencies involved in the State’s broadband planning process and organizations involved in “narrowing the digital divide.” Input from all sources and the survey responses to date have been considered in the development of all CDBG-CV programs.

The State is also complying with its amended State Citizen Participation Plan and making the draft substantial amendment to the 2020 Annual Action Plan and CDBG Program Description available for public review and comment for seven days, from November 12, 2020 to November 18, 2020. The documents

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are available on www.cdbgSC.com and www.schousing.com. In addition, electronic notifications have been sent out to program constituents and stakeholders. A virtual public hearing to discuss the CDBG-CV Program will be held on November 16, 2020. Public comments received at the virtual public hearing will be included in the final plan when submitted to HUD.

Short-Term Housing Assistance Program

Eligible Activities

Short-term rental and mortgage assistance payments to respond to the effects of COVID 19 in Entitlement and non-Entitlement areas of the state, for households financially impacted by COVID-19.

National Objectives

In addition to ensuring that all CDBG-CV funds are used to prevent, prepare for, and respond to the Coronavirus, all projects must meet the following national objective of the CDBG program:

- LMI benefit

The funds will benefit only income-certified LMI households financially impacted by COVID-19.

To comply with HUD requirements, at least 70% of all State CDBG-CV funds must benefit low- and moderate-income persons. However, because this activity provides direct benefit to individual households, 100% of funds for this activity must benefit LMI households.

Short-Term Housing Assistance Program Requirements

Applicants

The State will use a subrecipient, the SC State Housing Authority (“the Authority”), that will identify eligible households in need of short-term housing assistance due to conditions arising as a result of COVID-19. Funds will flow through the Authority and/or its contractors to landlords and lenders of eligible households to reimburse up to six consecutive months of short-term housing assistance. The Authority will award funding to eligible contractors by issuing a Request for Qualifications. Nonprofits, public housing authorities, regional Councils of Government, and local government organizations may respond to the request for qualifications. Responses will be due 30 days from the date of posting. Contractors will submit an application for short-term housing assistance funds to the Authority, which will include information demonstrating their capacity, experience, financial stability and ability to administer and implement CDBG-CV funds timely in multi-county regions

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throughout South Carolina, and also in communities highly impacted by COVID-19. Funding will be a competitive grant process. Applications will be reviewed by a panel of Authority staff. The Request for Qualifications and Application will be available on the Authority's website at <https://www.schousing.com>. The Authority will evaluate funding applications to avoid duplication of efforts and to maximize the impact of CDBG-CV across South Carolina. The evaluation will be performed to assist in identifying gaps in coverage and identifying areas where funds are most needed. Proposals must be emailed to SCStay@schousing.com or submitted to the following address:

South Carolina State Housing Finance & Development Authority
Attn: SC Stay
300-c Outlet Pointe Blvd.
Columbia, SC 29210

Threshold

There is no threshold requirement.

Match

There is no match requirement.

Project Criteria

Households benefiting from assistance must meet the HUD CDBG criteria for Low to Moderate Income in their respective communities, demonstrate need for assistance due to financial impact from COVID-19, and have landlord or lender confirmation of the need for assistance.

Other Program Requirements

In addition to the eligible activities and national objective requirements of CDBG and CDBG-CV, all other regular CDBG program requirements apply. These include environmental review, procurement, fair housing and equal opportunity, anti-displacement and relocation plans, etc. The CARES Act also requires that no duplication of benefits occurs as a result of providing the assistance. HUD indicates that a duplication occurs when a person, household, business, or other entity receives coronavirus assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need.