

CDBG and Response to COVID-19: Reimbursement Policy FY19 and FY20 Funds

Date Issued: April 21, 2020

Purpose: This policy covers use of federal FY19 and FY20 Community Development Block Grant (CDBG) funds awarded by the Virginia Department of Housing and Community Development (DHCD) for reimbursement of CDBG-eligible expenses addressing COVID-19.

This policy will be amended or another policy will be distributed to cover CDBG-CV funds awarded through the CARES Act once available.

Reimbursement of pre-agreement costs, public services:

In accordance with 24 CFR Part 570.489(b), DHCD is establishing procedures related to reimbursement to localities for CDBG eligible 'public service' expenses incurred as a way to prevent, prepare for, or respond to Coronavirus.

To be eligible for reimbursement:

- expenses must be clearly related to COVID-19 (Coronavirus) response;
- expenses must have been incurred on or after March 12, 2020 (the date of Executive Order 51 by Governor Ralph Northam);
- expenses must have been incurred in accordance with standard or 'emergency' procurement procedures for the locality and must be for products or services that have been determined by DHCD to be CDBG-eligible;
- expenses must be submitted to DHCD after receipt and execution of a CDBG contract which requires:
 - submission of a fully-executed Certification of Exemption or Categorical Exclusion from 24 CFR Part 58.5 (environmental review) of the project;
 - approval of all routine federal pre-contract requirements;
 - abbreviated management plan as applicable or necessary;
 - executed letters of agreement with all local partner organizations which will be recipients of CDBG funding; and
 - written certification / affidavit that the locality and its partners will not request reimbursement from any other source (federal or otherwise) for these same costs.

The reimbursement request must be submitted through DHCD's Centralized Application and Management System (CAMS). Note that the Commonwealth has 30 days to provide payment once the remittance or reimbursement request is approved.

Reimbursement of pre-agreement costs, construction activities:

In accordance with 24 CFR Part 570.489(b), DHCD is establishing procedures related to reimbursement to localities for CDBG-eligible construction-related expenses incurred as a way to prevent, prepare for, or respond to coronavirus.

To be eligible for reimbursement:

- expenses must be clearly related to COVID-19 (Coronavirus) response;
- expenses must have been incurred after completing all activities required under 24 CFR Part 58 (environmental review procedures), including publications and waiting periods;
- expenses must have been incurred in accordance with standard or 'emergency' procurement procedures for the locality and must be for products or services that have been determined by DHCD to be eligible;
- expenses must be submitted to DHCD after receipt and execution of a CDBG contract which requires:
 - submission of a fully executed Environmental Review Record including any publication requirements and submission of the Request for Release of Funds and Certification;
 - approval of all routine federal pre-contract requirements;
 - abbreviated management plan as applicable or necessary;
 - executed letters of agreement with all local partner organizations which will be recipients of CDBG funding; and
 - written certification / affidavit that the locality and its partners will not request reimbursement from any other source (federal or otherwise) for these same costs.

The reimbursement request must be submitted through DHCD's Centralized Application and Management System (CAMS). Note that the Commonwealth has 30 days to provide payment once the remittance or reimbursement request is approved.

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