



## COMMUNITY DEVELOPMENT BLOCK GRANT ALLOWABLE COSTS QUICK LIST

CDBG and CDBG-CV funds are governed by Title I of the Housing and Community Development Act of 1974, as amended, including the CARES Act for CDBG-CV, and the implementing regulations at [24 C.F.R. Part 570](#).<sup>1</sup>

The checklist below details the **allowable costs** for KCRHA-funded CDBG and CDBG-CV programs. Specifically, it focuses on public emergency housing solutions for homelessness services, which include Emergency Shelter Services (Basic and Enhanced), Navigation Centers, Diversion-related facilities, CE-RAP, Hygiene Centers, and Tiny Home Village shared facilities.

While the costs listed below are allowable, whether the cost is **eligible for reimbursement** under a Project Service Agreement (PSA) is determined by the detailed budget approved by the KCRHA when the application was submitted. To determine if a project cost is **eligible for reimbursement**, please refer to the applicable PSA.

| OPERATING COSTS | ALLOWABLE COST             | EXCEPTIONS AND/OR QUALIFIERS                                                                                                                                                                         |
|-----------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | Energy Efficiency.         | Additional insulation, new windows and doors, and other similar improvements.<br>Authority: <a href="#">24 C.F.R. § 570.201(c)</a>                                                                   |
|                 | Handicapped Accessibility. | Improvements, such as the installation of ramps and grab bars, are made to homes of persons with disabilities to make the home more accessible.<br>Authority: <a href="#">24 C.F.R. § 570.201(c)</a> |
|                 | Emergency Repair.          | Provide for the repair of certain elements of a housing unit in emergency situations, such as repairs to a roof that is leaking.<br>Authority: <a href="#">24 C.F.R. § 570.201(c)</a>                |
|                 | Weatherization.            | Aimed at improving a home's ability to withstand the elements, including insulation and weather-stripping.<br>Authority: <a href="#">24 C.F.R. § 570.201(c)</a>                                      |

<sup>1</sup> Secondary Authorities: [24 C.F.R. § 570.201\(c\)](#); [24 C.F.R. § 570.201\(e\)](#); [24 C.F.R. § 570.206](#); [CARES Act \(CDBG-CV\)](#)

| OPERATING COSTS | ALLOWABLE COST       | EXCEPTIONS AND/OR QUALIFIERS                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 |                      |                                                                                                                                                                                                                                                                                                                                                                                                                |
|                 | Rem Housing.         | Essential repairs and payment of operating expenses needed to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily Low to Moderate Income (LMI) neighborhoods.                                                                                                                               |
|                 | Develop Facilities.  | Persons with special needs and homeless shelters (categorized under CDBG as public facilities and not housing).                                                                                                                                                                                                                                                                                                |
|                 | Compensate Property. | Loss of rental income incurred while holding, for temporary periods, housing units for the relocation of households displaced by CDBG activities.                                                                                                                                                                                                                                                              |
|                 | Operating Supplies   | <p>Office and program supplies<br/> Sanitation and hygiene supplies<br/> Personal protective equipment<br/> Case management materials, and other consumable items necessary to deliver eligible emergency homelessness services, provided costs are reasonable, allocable, and included in the approved budget.</p> <p>Authority: <a href="#">24 C.F.R. § 570.201(e)</a> (15% public services cap applies)</p> |
|                 | Staffing Costs       | <p>Salaries, wages, fringe benefits</p> <p>Payroll taxes, and other costs directly attributable to eligible emergency homelessness activities, subject to statutory caps and eligibility requirements under 24 C.F.R. §§ 570.200(g) and 570.206.</p> <p>Authority: <a href="#">24 C.F.R. § 570.206</a></p>                                                                                                     |

| OPERATING COSTS                     | ALLOWABLE COST                                                                          | EXCEPTIONS AND/OR QUALIFIERS                                                                                                                                                                                                                                            |
|-------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     |                                                                                         |                                                                                                                                                                                                                                                                         |
| CLIENT ASSISTANCE COSTS             | ALLOWABLE COST                                                                          | EXCEPTIONS AND/OR QUALIFIERS                                                                                                                                                                                                                                            |
|                                     | Basic Needs Assistance                                                                  | Hygiene kits, clothing, blankets, food, and other items addressing immediate health and safety needs of people experiencing homelessness.<br><br>Authority: <a href="#">24 C.F.R. § 570.201(e) (15% public services cap applies)</a>                                    |
|                                     | Short-Term Emergency Assistance                                                         | Hotel/motel stays or other emergency assistance not exceeding three consecutive months, provided to address urgent health and safety needs.<br><br>Authority: <a href="#">CARES Act (CDBG-CV)</a>                                                                       |
|                                     | Navigation and Diversion Financial Assistance                                           | Transportation assistance<br><br>Application or screening fees<br><br>Other short-term costs necessary to divert households from homelessness or support exits from shelter.<br><br>Authority: <a href="#">24 C.F.R. § 570.201(e) (15% public services cap applies)</a> |
|                                     | CE-RAP Assistance (CDBG-CV)                                                             | Housing-related financial assistance and stabilization services authorized under the CARES Act and HUD-approved CDBG-CV flexibilities.<br><br>Authority: <a href="#">CARES Act (CDBG-CV)</a>                                                                            |
| Services in Connection with Housing | All services provided by the landlord related to the use or occupancy of a rental unit. |                                                                                                                                                                                                                                                                         |

| INELIGIBLE COSTS AND EXPENSES                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CDBG may not be used to guarantee mortgage financing directly, and grantees may not provide such guarantees directly.                                                                                                                                                                                                                                                 |
| CDBG funds may not be used to provide on-going income payments such as paying for a tenant's rent or a household's mortgage. The only exceptions are: Income payments that are provided as a loan; or Income payments that are emergency in nature and do not exceed three consecutive months.                                                                        |
| The purchase of construction equipment is generally ineligible. However, the purchase of tools to be part of a "tool-lending" rehabilitation program is eligible. Compensation for the use of construction equipment through leasing, depreciation or other use allowances (described in the OMB circulars) is allowable provided the activity is otherwise eligible. |