

## **HUD CDBG regulations authorizing use of CDBG funds for emergency shelter/housing and related payments**

**Emergency one time payments to a provider for up to three months are CDBG eligible as a public service income payment under 24 CFR 570.207(b)(4).**

(4) *Income payments.* The general rule is that [CDBG funds](#) may not be used for [income](#) payments. For purposes of the CDBG program, “income payments” means a series of subsistence-type grant payments made to an individual or [family](#) for items such as food, clothing, housing (rent or mortgage), or utilities, **but excludes emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or [family](#).**

**The above is confirmed in HUD's publication "[Basically CDBG for Entitlements](#)", which is posted on its website:**

<https://www.hudexchange.info/resource/19/basically-cdbg-training-guidebook-and-slides/>

Section 7.1.2 of this publication reads as follows:

7.1.2 Ineligible Public Service Activities } The provision of “income payments” is an ineligible CDBG activity if these payments are provided as a grant. Income payments are payments to an individual or family, which are used to provide basic services such as food, **shelter (including payment for rent, mortgage, and/or utilities) or clothing. – However, such expenditures are eligible under the following conditions: | The income payments do not exceed three consecutive months; and | The payments are made directly to the provider of such services on behalf of an individual or family. – Income payments that are provided as a loan are permissible within the public services cap.**

In addition, Section 7. 3.4 contains additional/alternative justification for use of the funds to provide shelter:

7.3.4 Urgent Needs } **It is possible for public service activities to qualify under this National Objective if the public service is designed to alleviate existing conditions that pose a serious and immediate threat the health or welfare of the community and following conditions are met: – The conditions are of recent origin or recently became urgent (generally within the past 18 months); – The grantee is unable to finance the activity on its own; and – Other sources of funding are not available.**