

CSBG DCL-2021-22 LIHWAP Coordination FY2021

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Community Services Block Grant

Dear Colleague Letter

DCL#: CSBG-DCL-2021-22

DATE: August 9, 2021

TO: Community Services Block Grant (CSBG) Grantees

SUBJECT: Coordination of CSBG Resources with Low Income Household Water Assistance Program for Minor Plumbing Repairs and Other Household Needs

ATTACHMENT(S): N/A

Dear Colleagues,

The purpose of this message is to encourage CSBG grantees to review and consider opportunities to support small household plumbing repairs and to coordinate a range of other services and supports for households receiving assistance through the emergency Low Income Household Water Assistance Program (LIHWAP) grants administered by the Office of Community Services (OCS). Grantees are also encouraged to consider opportunities to coordinate intake services and, when possible, to link LIHWAP assistance to other household assistance provided by CSBG eligible entities.

Background

For many low-income households across America, water affordability needs have been significantly exacerbated by the COVID-19 public health crisis, and while water is required to follow the federal guidance from the Centers for Disease Control and Prevention (CDC) advising washing hands frequently in order to reduce the transmission of COVID-19, the pandemic has made it significantly more difficult for individuals and families to pay their home drinking water and wastewater bills. While some states have instituted temporary moratoria on shutoffs, water consumers have accumulated debts that have serious economic consequences not only for household consumers, but also for public water utilities.

To help address critical household needs, OCS is currently administering grants that provide over \$1.1 billion in support to address household needs for low-income families. The Consolidated Appropriations Act, 2021 (Public Law No: 116-260) signed on December 27, 2020, included \$638,000,000 in funding with instructions to carry out grants to states, territories, and tribes to assist low-income households with water and wastewater bills. Additionally, on March 11, 2021, the American Rescue Plan Act of 2021 appropriated an additional \$500 million to the new LIHWAP effort.

While water costs and accessibility vary significantly from state to state, LIHWAP provides critical nationwide emergency support on behalf of low-income households so that these households are not forced to choose between paying for water services and other necessities like housing, food, and medicine. Legislative instructions for LIHWAP indicate that grant funds are intended “to assist low-income households, particularly those with the lowest-incomes, that pay a high a high proportion of household income for drinking water and wastewater services.” Payment may be made by providing funds to owners or operators of public water systems or wastewater treatment works address past due bills or reduce the amount of current payments for low-income households that pay a high proportion of household income for water services.

Status of LIHWAP Grants

Based on legislative instructions, OCS has provided states, territories, and tribes with LIHWAP grant allocations. Grantees have identified responsible officials, signed off on the terms and conditions of the awards, and received approval to use up to 15 percent of funds for initial start-up activities. Additional information on the LIHWAP effort, including copies of legislation, policy and guidance, and training content for this effort is available through the following weblink:

[Low Income Household Water Assistance Program \(LIHWAP\)](#)

Outstanding Household Water Needs

A number of grantees and their representatives have contacted OCS regarding the need for resources to support minor household plumbing repairs as a way to ensure households have access to water and wastewater services and that households are not receiving higher than necessary future water bills or accumulating water debt because of minor plumbing issues such as a running toilet. For example, some households that have had water services disconnected for nonpayment of arrearages may require minor repairs (e.g., the repair of leaking pipes) as part of getting their service reconnected.

OCS recognizes the critical need for household assistance for minor plumbing repairs. However, LIHWAP’s appropriation instructions specify that LIHWAP assistance is to be used to make payments to public water utilities for household arrearages and rate reductions. Thus, as a general rule, LIHWAP funds may not be used for payments to contractors or payments made directly to households for minor plumbing repairs.

However, OCS recognizes that some households that receive a LIHWAP benefit will need to have their minor plumbing needs addressed in order to effectively meet the water and wastewater needs of low-income households. As such, OCS is encouraging LIHWAP grantees to leverage other available resources to support small infrastructure needs for families receiving a LIHWAP benefit, including CSBG funds and the [Temporary Assistance for Needy Families Pandemic Emergency Assistance Fund](#).

Use of CSBG CARES Act funds to Address Outstanding for Household Water Needs

As you are aware, CSBG provides a flexible local resource to help meet the needs of low-income households and to coordinate a variety of federal, state, and local resources for individuals, families, and communities. OCS encourages state and local CSBG eligible entities to consider options to use supplemental Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding to help address household needs not addressed through LIHWAP. As a reminder, grantees have to fully obligate CSBG CARES funds by September 30, 2022.

Use of CSBG and CSBG CARES for Small-Scale Plumbing Repairs

If a local community has identified small-scale household plumbing repairs as a significant unmet need, CSBG funds may be coordinated with LIHWAP funds to address this need. Although CSBG funds may not be used for large-scale construction projects (such as full replacement of household plumbing systems), CSBG funds may be used to support a variety of small-scale repairs and household needs related to safe and affordable water, which are not directly addressed through LIHWAP. This may include activities such as repairs or replacement of leaking pipes, and updating fixtures (e.g., faucets, showers, or toilet fixtures) with more water efficient replacements, and purchasing water filters to remove contaminants from drinking water. OCS encourages grantees to leverage available resources to support these needs in conjunction with LIHWAP support where possible. OCS is also encouraging LIHWAP grantees to reach out to their local CSBG entity to identify opportunities for partnership and collaboration. For more information on this effort, please review the following Dear Colleague Letter to LIHWAP grantees [LIHWAP DCL-2021-13 CSBG Coordination FY2021](#).

Coordination with Other CSBG Household Supports

Consistent with the purposes and goals outlined in Section 672 of the CSBG Act, CSBG funds may be used for the coordination and delivery of a range of services to meet the needs of low-income households. In helping households and communities address critical needs related to responding to COVID-19, OCS also encourages both LIHWAP and CSBG grantees to consider other options to coordinate resources to help meet the immediate needs of households. Examples of coordination activities may include the following:

- Coordinated intake, eligibility determination and benefit payments between LIHWAP, the Low-Income Home Energy Assistance Program (LIHEAP), and other utility assistance programs or rental assistance where possible

- Financial management assistance, including debt counseling, financial planning, and asset-building efforts
- Benefit assistance coordination to help households access other resources offered by the CSBG eligible entities or its community partners, including assistance with employment and training, transportation, rental assistance, nutrition, and linkages to health and wellness services

Modifications to Local Community Action Plans

While any modifications to local Community Action Plans must be conducted in a manner consistent with state policies and procedures, OCS does not need to review or approve updates to local plans for coordination of services and supports described in this message. OCS encourages states to consider expedited procedures to allow local grantees to modify plans to coordinate CSBG CARES funding with LIHWAP efforts and provide additional household plumbing repairs or supports if needed.

Linkage and Coordination Steps and Points of Contact

OCS strongly encourages information-sharing and planning efforts at the state and community levels to identify opportunities for coordination of LIHWAP and CSBG efforts as discussed above. At minimum, grantees should share information on needs and planned community services. If the local administering agency for LIHWAP will be different than the eligible entity for CSBG, grantees should establish ongoing processes for information-sharing, referral, and coordination of services to meet the needs of households.

State LIHWAP Contacts

A list of LIHWAP State Contacts (when available) will be posted on the following weblink:

[LIHWAP Contact Information](#)

Federal LIHWAP Contacts

A list of federal LIHWAP contacts is available on the following weblink:

[LIHWAP Federal Contact](#)

Thank you for your attention to these matters. OCS looks forward to continuing to provide high-quality services to OCS grantees.

/s/

Charisse Johnson

Director, Division of Community Assistance

Office of Community Services

Files



CSBG DCL-2021-22 LIHWAP Coordination FY2021 (189.37 KB)

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