



## Chapter 1: Program Overview

### Overview

The California Office of Housing and Community Development (HCD) administers the State of California's annual federal allocation of Community Development Block Grant (CDBG) funds for eligible municipalities.

The Community Development Block Grant (CDBG) Program is designed to provide assistance to units of general local government (Grantees) in improving economic opportunities and meeting community revitalization needs, particularly for persons of low and moderate income. The CDBG program has been funded through the State since 1982 by the U.S. Department of Housing and Urban Development (HUD) under the Housing and Community Development Act of 1974, as amended (Title I).

The CDBG program is governed by Title I of the Housing and Community Development Act of 1974, as amended, and implementing regulations for the State Program at 24 CFR Part 570, Subpart I. All CDBG activities must be carried out in accordance with the requirements of Title I, Subpart I, the State Consolidated Plan, created in accordance with 24 CFR Part 91, and this Program and Application Guide.

Throughout this document HCD has provided useful links that provide additional information about the topic being discussed.

### Section 1.1 Overview of Grant Management Manual

The purpose of this guide is to:

- Assist grant administrators in the day-to-day administration of CDBG projects.
- Provide practical information on how to implement a CDBG project that will meet legal, financial, and program obligations.
- Provide the grant administrator with a simple step-by-step approach for the implementation of CDBG-funded projects, including grant approval, set-up, compliance with applicable requirements, audits and close-out.



- Provide tools to assist in CDBG project implementation. The tools include tips, lists, forms, and sample documents that are in the chapter or in the attachments to each chapter.

**NOTE: HCD reserves the right to make exceptions, for added flexibility, to any non-statutory and non-regulatory requirements in the GMM.**

This handbook is organized by major topic. All applicable forms referred to in the handbook are located throughout the chapters and are listed by chapter on the HCD website. The major topics include:

CDBG Grants  
Management Manual

1. Program Overview
2. National Objectives and Eligible Activities
3. Environmental Review
4. Additional Grantee Requirements
5. Procurement and Contract Requirements
6. Financial Management
7. Labor Standards
8. Acquisition
9. Relocation
10. Reporting and Recordkeeping
11. Monitoring
12. Closeout

Appendix A: Glossary (Definitions)

Appendix B: Equity and Belonging Toolkit

Appendix C: CARES Act Waivers and Alternative Requirements

Appendix D: CDBG Economic Development Manual

Appendix E: CDBG Housing Rehabilitation Manual

Note, however, that this document is intended as a guide and reference, not as a substitute for thorough knowledge of State and Federal laws and regulations referenced herein.

Though not all-inclusive, this guide covers the major areas of CDBG administration, provides required and suggested forms and instructions, and provides references for applicable State and



Federal laws and regulations.

As necessary, revisions or additions to this Guide will be issued via email and other public announcements. This guide will be retained and kept up to date on a yearly basis to ensure effective administration of CDBG grants. The current version of the guide can be found on the [HCD website](#).

## Section 1.2 Consolidated Plan

The Consolidated Plan, which is updated annually and submitted to the U.S. Department of Housing and Urban Development (HUD), [24 CFR 91.300-330](#), covers programs such as the Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME) and the Housing Opportunities for Persons with AIDS (HOPWA) program.

California's Consolidated Plan (often called the "Con Plan") is a five-year plan that examines the housing and community development needs of the state's non-entitlement jurisdictions. HCD engages local governments and other housing and community development advocates, both in the process of developing and reviewing the proposed plan, and as partners and stakeholders in the implementation of HUD funded programs. By consulting and collaborating with other public and private entities, Grantees can align and coordinate community development programs with a range of other plans, programs and resources to achieve greater impact.

The [California Consolidated Plan and Individual Annual Action Plans](#) can be found on the HCD website.

## Section 1.3 State Citizen Participation

The Citizen Participation Plan sets forth the policies and procedures for public involvement in the State of California's consolidated planning process. The Department of Housing and Community Development (HCD) is responsible for the development and implementation of the Consolidated Plan. The Citizen Participation Plan contains the required elements listed in the Consolidated Plan regulations in accordance with Section 104(a) of the Housing and Community Development Act of 1974 as amended as well as both [24 CFR 91.110](#) and [24 CFR 91.115](#). The purpose of the Citizen Participation Plan is to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of: decent housing, suitable living



environments, and expanded economic opportunities.

The [California Citizen Participation Plan](#) can be found on the HCD website. Information on the Citizen Participation requirements for Grantees is detailed in *Chapter 4: Additional Grantee Requirements*.

## Section 1.4 Overview of the Application Process

Every January CDBG releases the Notice of Funding Availability (NOFA) for the upcoming annual allocation. An application form is made available to Grantees in the [eCivis Grants Network](#). The

[eCivis Grants Network  
User Manual](#)

application involves a description and documentation that demonstrates the threshold criteria of the CDBG program has been met. There are usually both competitive and over the counter (OTC) applications for community development and economic development, although this varies year to year based on need, feedback from stakeholders, and prior year expenditure rates.

The state CDBG program uses a NOFA application process in which eligible cities and counties apply for funding awards for a variety of programs and projects intended to align with the goals and priorities identified in the Consolidated Plan, which is a 5-year plan that lays out the plans of federal expenditures based on identified needs and goals. Federal requirements mandate a set aside for Colonias, for which the state sets aside five percent of its allocation each year.

Additionally, state statute requires that at least 51 percent of HCD's CDBG allocation from HUD be made available to housing and housing related activities; 30 percent shall be set aside for Economic Development (ED) projects and programs; five percent shall be set aside for Colonias; and at least 1.25 percent of the total amount of funds shall be set aside for eligible activities benefiting non-federally recognized Native American communities or tribes. Separate applications are made available for tribal and Colonias set asides, for Housing and Housing related activities, and for Economic Development activities.

## Section 1.5 Grant Award and Agreement

Submitting a CDBG funding application to HCD results in either an award or a notice of non-selection. Communities that are selected to receive a grant are sent an approval letter. This begins the process of setting up the grant and ensuring that all contractual documents are in place.



## Steps in the Process

Setting up a new CDBG grant award involves a number of steps. These steps are outlined below.

1. HCD will send out the award letter via email. After the award letter is sent out, the Standard Agreement routing process starts through the [eCivis Grants Network](#). After approval, the Standard Agreement is packaged through eCivis and HCD sends it to Grantees with instructions on how to respond.
2. The person identified in the local resolution submitted with the Application will sign and submit the Standard Agreement through the [eCivis Grants Network](#) within 30 days from the date of the letter.
3. HCD processes and executes the Standard Agreement through the [eCivis Grants Network](#) and defines all effective dates.
4. Grantees must keep an electronic record of the Standard Agreement for its own recordkeeping requirements.

## Section 1.6 Other Resources and Information

Grantees are responsible for ensuring that they are in compliance with all applicable rules and regulations. In addition to this manual, Grantees should sign up for HCD email service for up-to-date notifications and information. Grantees may also want to become familiar with the following resources:

[Subscribe to HCD  
Email Updates](#)

### **California Community Development Block Grant Program:**

<https://www.hcd.ca.gov/grants-funding/active-funding/cdbg.shtml>

### **HCD CDBG Management Memos:**

<https://www.hcd.ca.gov/grants-funding/active-funding/cdbg.shtml#memos>

### **HCD CDBG Grants Management Manual Appendices:**

<https://www.hcd.ca.gov/grants-funding/active-funding/cdbg/gmm.shtml#appendices>

### **HUD Exchange State CDBG Program:**

<https://www.hudexchange.info/programs/cdbg-state/>

### **HUD Exchange State CDBG Program Guides, Tools and Webinars:**

<https://www.hudexchange.info/programs/cdbg-state/guides/#guides-and-training-manuals>



**HUD Office of Community Planning and Development (CPD) Training:**

<https://www.hudexchange.info/trainings/>

**HUD-CPD Notices:**

<https://www.hudexchange.info/programs/cpd-notices/#2021>

**Guide to National Objectives and Eligible Activities for State CDBG Programs:**

<https://www.hudexchange.info/resource/2179/guide-national-objectives-eligible-activities-state-cdbg-programs/>

**CDP Income Calculator:**

<https://www.hudexchange.info/incomecalculator/>

**HUD Office of Healthy Homes and Lead Hazard Control:**

[https://www.hud.gov/program\\_offices/healthy\\_homes](https://www.hud.gov/program_offices/healthy_homes)

**HUD Office of Labor Standards and Enforcement (OLSE):**

[https://www.hud.gov/program\\_offices/davis\\_bacon\\_and\\_labor\\_standards](https://www.hud.gov/program_offices/davis_bacon_and_labor_standards)

**HUD Office of Environment and Energy (OEE):**

<https://www.hudexchange.info/programs/environmental-review/>

For more information or assistance, Grantees are encouraged to contact HCD staff at [CDBG@hcd.ca.gov](mailto:CDBG@hcd.ca.gov).