

CDBG Advisory Committee Meeting, June 30, 2015 10:00 AM – 3:00 PM
Meeting Minutes – Comments on 2015 Proposed CDBG State Regulation Changes
Provided on: August 25, 2015

Attendees:

HCD, Division of Financial Assistance:

Guerdon Stuckey – Assistant Deputy Director
Sharon Fleury – Section Chief Fiscal for HOME & CDBG Program
Leticia Johnson – CDBG Program Manager
Patrick Talbot – CDBG Representative
Susan Naramore – CDBG Specialist
MeLisa Adams – CDBG Representative
Craig Shields – CDBG Representative
Terri Wright – CDBG Representative

CDBG Advisory Committee Members:

Lorie Adams – Principle, Adams/Ashby Group
Susan Aikens – Program Director, Self Help Enterprises
Esperanza Colio-Warren – CD Manager, County of Imperial
Terry Cox – Principle, Cox Consulting
Rachelle Kellogg – CD Director, City of Sonora
Chuck Kinney – Deputy Director Planning, Kings County
Paula Mushrush – Housing & Grants Coordinator, County of Humboldt
Jennifer Owen – Housing & ED Coordinator, City of Fort Bragg
Matt Perry – County Administrative Officer, County of Lake
Margaret Silveria – City Manager, City of Lake Port
Jeff Lucas – CDS Principle, County of Colusa

State Proposed 2015 Regulation changes:

1) Regulation Change:

Add Emergency Need Language to allow Department to release special NOFA's or allow grantees to re-program existing grant funds for jurisdictions with Urgent Need.

Comment:

Member suggested language be changed to Urgent Need or Special NOFA from Governor Brown for disaster assistance.

2) Regulation Change:

Section 7058. Eligible Activities

Clarification to subsection (a) that an activity must be explicitly authorized in the Housing & Community Development Act of 1974 to be eligible.

Comment:

Member suggested that the language “explicitly authorized” be changed to “implied or described”.

3) Regulation Change:

Section 7062.1 Special Allocation for Economic Development

Clarifying the requirement under subsection (a)(5) that a national objective must be met or grantees are required to pay back awarded funds to the Department; and deleting inaccurate language related to Department remedy;

Comment:

Members questioned the change in language to must repay funds. A request was made to provide federal regulation allowing this proposed language.

4) Regulation Change:

Deleting inaccurate language under subsection (a)(6) regarding Department waiver of funding limitations; clarifying that un-awarded funds in Economic Development must be used in unfunded Community Development eligible applications.

Comment:

Members would like a better definition of the time period allow. Is this within the 15-month rule? Is money available? Where will these funds come from? Disencumbered? Will a new contract be generated or an amendment? Or will these be with the next NOFA round?

5) Regulation Change:

Removing incorrect language in reference to grants (to pay for eligible public improvement project costs (water, sewer, streets)) under subsection (b)(4) for accuracy in what is being evaluated;

Comment:

Members would like this clarified relative to the inclusion or exclusion of Revolving Loan Funds.

6) Regulation Change:

Clarifying language under Special Allocation for ED, subsection (b)(6)(c) for Enterprise Fund programs, that the Department will notify applicants of funding reservations and not of point scores;

Comment:

Members want point scores in the award letter to show what grantees need to work on for future applications (CDBG used to provide in the past).

Members would like a full list of applicants with all scoring criteria in ranked order so they can tell exactly where they placed in the award system.

7) Regulation Change:

Homeowners Assistance (HA) and Housing Rehabilitation (HR)

Adding the criteria “Cost Burden-renter Overpayment” under subsection (d)(2)(A) 1. Iii. to substantiates the locality’s “community development needs”, increasing the scoring factor for Overcrowding criteria and decreasing for “Rental Vacancy Rate”.

Comment:

Members suggest changing the proposed regulation language so more points are provided to rental vacancy and not rental overpayment in scoring.

8) Regulation Change:

Multi-Family Housing Acquisition, Rehabilitation or Acquisition/Rehabilitation

Increasing the, “State Objectives” points to 150 points under subsection (d)(2)(D);

Comment:

Members commented that the increase in State Objective Points may reduce the choices of activities available to grantees, i.e. it would encourage grantees to apply for activities they did not need but perceived to be more competitive due to state objective points.

9) Regulation Change:

Section 7088. Labor Standards

The Department is removing subsection (b) which refers to state regulations regarding State of California Prevailing Wage; since CDBG is federally funded, the program requires compliance with Davis-Bacon Act and not California prevailing wage.

Comment:

Members would like this identified and clearly stated in standard agreement at beginning and all the way through the monitoring process. Be clear that jurisdictions will not be held to the California prevailing wage compliance, just the federal prevailing wage.

10) Regulation Change:

Section 7102. Retention and Custodial requirements for Records

The Department is removing incorrect federal citations applicable to entitlement programs and replacing it with correct federal regulations; additionally, the Reference section is updated accordingly.

Comment:

Members would like to change the word “accordingly” to “non-entitlements regulations only”.

11) Regulation Change:

Section 7112. Grant Payment Requirements

Clarifying requirements related to advances and requirements for reimbursement of funds requests.

Comment:

Member requested the use of federal regulations citations in relation to the term advances. They find the language in the regulations ambiguous. Need to give a clearer definition.