

CDBG Office Hours

Team HCD CDBG

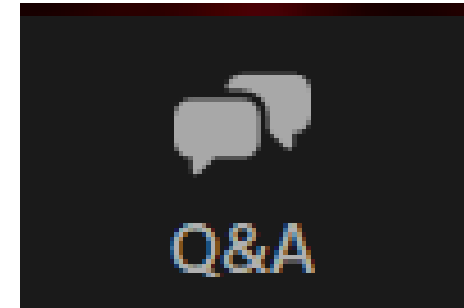
Wednesday, March 16, 2022





How to ask a question

- Webinar questions:
 - Click “Q & A” chat bubble to submit a question to the team
 - You may ask questions anonymously, but if you want your name, organization, or region associated with your question, you will need to type it in the “Your Name” box
 - The team will read questions out loud throughout the presentation and will provide answers if possible
 - All questions will be saved and recorded as part of the public record





CDBG Program Updates

2020 CDBG NOFA

- ❖ 1 Pending SA routing for final approval

2021 CDBG NOFA

- ❖ 64- applications submitted and reviewed for threshold
- ❖ Our goal is to notify the Grantees by the end of March regarding the status of their award.

2022 CDBG NOFA

- ❖ Drop date TBD. Deadline dates will be updated to correspond with the NOFA date.
- ❖ Finishing internal review process. All workshops will be posted along with training materials on the CDBG website once materials have been ADA remediated.
- ❖ Eblast will go out once posted.



Completed Trainings

- ✓ 1/6/22 Single Audits- What are they and why do they matter?
- ✓ 1/11/22 DUNS Number & Debarment Workshop
- ✓ 1/13/22 Resolution Training
- ✓ 1/19/22 2022 NOFA Workshop
- ✓ 1/19/22 State Objectives, What you need to know
- ✓ 1/26/22 Racial Equity Workshop
- ✓ 1/27/22 2022 NOFA Workshop
- ✓ 2/3/22 National Objectives & Matrix Codes
- ✓ 2/3/22 NEPA level of review workshop
- ✓ 2/8/22 How to write an effective narrative
- ✓ 2/17/22 eCivis Budget Training



Upcoming Training Continued....

- TBD 2022 Application Technical Assistance Session – **Has been rescheduled until after the NOFA has dropped and the application has been opened. Look for notification of the new date.**
- To register for these trainings, please visit HCD's Eventbrite page at [California Dept. Housing & Community Development Events | Eventbrite](#)



CDBG-CV

- CDBG-CV1
 - ❖ 82 Approved and Executed
- CDBG-CV2 and 3
 - 145 Submitted Applications:
 - 0 Awaiting Corrections
 - 2 Routing
 - 15 Pending Signatures
 - **128** Approved

Questions and Answers: Recap from Prior Office Hours





Housing Rehabilitation

Question:

Which guidelines should we follow for installing dishwashers, washers, dryers for housing rehabilitation? One regulation states cost of equipment, furnishings, or other personal property not an integral structural fixture, 24 CFR 570.207(b)(1)(iii) are not allowable. However, guidance suggests that these can be included as energy efficient items per 42 U.S.C. 5305(a)(4) interpreted in Memo "Guidance Regarding the Use of CDBG Funds for Washers, Dryers, and Dishwashers" from HUD dated 1/14/2011. Can we assume that energy efficient washer, dishwashers and equivalent dryers as described in the memo be used in housing rehabilitation projects?

Answer:

You can use the rule of thumb that if the item in question can be moved to another location easily, then it qualifies as personal property. If the item is being installed as an integral part of the property it is generally considered to be a structural fixture and is an allowable cost. There are a variety of approaches to this type of situation dependent on the nature of the work that is being done. For example, after a disaster, many states and local governments have included energy efficient washer/dryers as eligible costs because they are critical to the rehabilitation of the home. Individual technical assistance with ICF and HCD representatives would be a good next step in this specific situation, so that our teams can take into account the rationale and justification for the specific costs and whether this type of cost is included in your program design before moving forward.



Activity Delivery Costs

Question:

In the past there was a cap of 20% on Activity Delivery Costs (ADC) associated with Housing Rehabilitation and ADCs had to be tied directly to the home that was being funded as that was the only way to tie it to supporting the National Objective. What is the current guidance from HCD on ADC for Housing Rehabilitation?

Answer:

We have gotten rid of the 20% cap on Activity Delivery as the cost might be different depending on the work you are doing. As a note, expenses associated with intake and application review are eligible activity delivery costs. Remember that costs still need to be reasonable, and you must demonstrate the cost reasonableness. Make sure that documentation and staff time that is associated with the activity delivery costs of running the program is clearly marked for auditing purposes.



CV Funds

Question:

Can CV funds awarded to a non-entitlement jurisdiction be used in an entitlement jurisdiction?

Answer:

The CDBG-CV Federal Register makes an exception to the state CDBG regulations that does allow CDBG-CV funds allocated to the state to be used in entitlement jurisdictions. It is important to note that entitlements also received their own allocation, so expanding a program to entitlement areas needs to be done in close coordination with the entitlement jurisdiction and with a very good duplication of benefits policy and robust duplication of benefits tracking, especially at the beneficiary level. If you anticipate amending the service area of a CDBG-CV program to serve entitlement jurisdictions, this would be an agreement revision or amendment, and you must consult with your Grant Administrator about how to proceed.



Rental Assistance

Question:

With ERAP ending at the end of March, will we be able to now provide Rental Assistance using CV funding?

Answer:

On Monday we received new direction from leadership that grantees can start incurring expenses for rental assistance starting April 1st. We are working to roll out guidance on reinstating rental assistance as quickly as possible.



Reallocation of Funds

Question:

Will extensions be provided for CV1 awards, or can the funds and activity, if different from the activity funded under CV 2, be rolled over to the jurisdictions CV2 contract?

Answer:

If you have circumstances that did not allow you to expend your CV-1, we would only roll over the funds if there was a need for those funds in your CV-2 project or program; to do this, the CV-1 would need to be disencumbered and reallocated to your CV-2 fund. If you need an extension or a change to your scope of work, please work with your Grant Administrator to determine what is needed in your circumstance.



2022 NOFA Training Recordings

Question:

I am not able to find the recordings - can you provide a link?

Answer:

This has not been posted yet, we are working with IT to get this posted. We will send out an eblast when this goes live.



Revolving Loan Fund (RLF)

Question:

Would Revolving Loan Funding need to be managed the same as Program Income and be in a budget?

Answer:

Right now, we are not allowing revolving loan funds. In the future, if we do allow this, then yes, it would all need to be in an open agreement. All PI needs to be encumbered in an open standard agreement that allows it to be spent.



RLF vs PI Fund

Question:

What is the difference between an RLF and a PI fund?

Answer:

A Revolving Loan Fund (RLF) is a specific type of fund in which you have funds for a specific activity type (generally for housing rehab loans or business assistance loans) and when money is coming in from those loans it can go back into the RLF and be used for like activities. A PI fund is where any income generated from CDBG programs over the amount of \$35,000 goes into the general PI account and can be used for any CDBG activity pursuant to the state's guidance. There are certain limitations however, as we must be mindful of caps however, we do not allow PI for public services or planning. If you have more specific questions about how you are using your Program Income, please reach out to your grant administrator to get technical assistance. NOTE: Revolving Loan Funds are NOT currently allowed under the State's CDBG program.



RLF Continued (1 of 2)

Question:

IF a jurisdiction had an existing RLF, is it no longer valid?

Answer:

That is correct, there are no longer any jurisdictions with valid RLFs. The jurisdictions that had them have been notified.



RLF Continued (2 of 2)

Question:

I understand that no grantee's should be using an RLF at this time. I want to ensure that our Partners (Cities/Counties) do not have and/or are not using an RLF. Although it was indicated on the call that jurisdictions were notified, some might not have fully understood that they are not to be using an RLF. Will you please provide information/steps/process regarding what to do if a jurisdiction has an existing RLF?

Answer:

If a jurisdiction has an open RLF, they need to work with HCD to have all of their PI in an open agreement. They can do this by creating a PI only application or adding their PI to an open grant or application. Bottom line, if a jurisdiction has an active RLF, they should contact their HCD rep so that we can work on a solution together.



2021 NOFA

Question:

Did you announce the date for the award notifications for the CDBG 2021 NOFA?

Answer:

No, we have not yet announced the date. It is coming soon but we do not have an exact date.



SAM

Question:

Will HCD accept email confirmation for SAM activation? Some of the people signing up are checking the privacy box and SAM only shows limited information.

Answer:

We need to make sure that the entity has not been excluded from SAM – what we will need is for you to work the entity that you are contracted with or receiving assistance to access their SAM status. If you need further assistance, please reach out to your Grant Administrator and Felicity Gasser at: felicity.gasser@hcd.ca.gov

Please note that you may also reach out to SAM.gov directly to find out how to get exactly what you need. Your grantee should also be able to change their privacy settings so that you can access what you need for a certain amount of time. Bottom line is that if vendors want to participate in the CDBG program, then some information about their entity must be public as they are using public funds that are subject for which records are subject to Public Records Act Requests.



Scope of Work Revision

Question:

We are in the 3rd quarter of a new CDBG Public Services grant for code enforcement. The grant application (written by former staff member 2 years ago) specified that the CDBG funds would pay the salary of 2 extra help Code Enforcement officers. We are finding that the salary costs of these 2 will not draw down enough funds on a timely basis. If we stay within the approved labor budget in our application, could we hire a 3rd extra help Code Enforcement officer and charge this salary to our grant?

Answer:

Yes, you will need to do a revision to your scope of work. Please reach out to your CDBG rep or use the Amendment/Revision Management Memo to find directions on how to submit your revision or amendment request. You will need to take your existing scope of work and amend it to include the changes.



Portfolio Management Costs

Question:

How should a jurisdiction handle PI that is used for inhouse portfolio management? I thought that RLF's were no longer allowed and all PI from housing rehab and ED was all general PI.

Answer:

To spend PI, you must be using PI to meet a national objective. If you do not have an active loan program then there is not a way for you to use your PI for portfolio management. You will need to utilize other funds to cover this cost. If you decide to reinstate a program using a PI-only application and have enough funds available to make 1-2 loans per year, it is considered an active program and you are able to use your General Admin or Activity Delivery funds to cover the cost for inhouse portfolio management in addition to making new loans. You are correct, RLFs are not currently allowed and all PI from housing rehab and ED is all general PI and is eligible to be receipted and expended within that activity.



Portfolio Management Costs Cont'd

Question:

I'm afraid that many jurisdictions will not apply for any further housing rehab or economic development programs if they cannot use PI for portfolio management. Small jurisdictions do not have general funds to cover portfolio management costs.

Answer:

Portfolio management as a standalone activity does not meet a national objective. Therefore, we cannot allow this to be a standalone use of general admin funds. General admin needs to be associated with work being accomplished. Therefore, the way to access use of general admin for portfolio management is to have an ongoing operating program, even it is small. For example, if you plan to allocate some of your program income, at least one or two grants a year, then you can use your general admin to continue to operate your program but you can't simply use it to manage your existing portfolio, it has to be an active program.



50% Rule

Question:

If I have a current 2021 PI only contract for the Purchase of a Fire Engine. We have ordered the engine and paid for the chassis but have not expended 50% of the funds, are we eligible to apply to purchase an additional engine in the 2022 grant (no PI Only)?

Answer:

Essentially, you already have commitment the purchase of the Fire Engine with these funds, so although you haven't expended or drawn the funds yet, you are under contract for the acquisition of the equipment. So this would not affect the 50% rule.



PI-GA

Question:

In the past, we have been able to use PI-GA on CDBG applications and related public notice advertisements. Is this no longer the case? Can we now only use PI-GA on active contracts/activities?

Answer:

You can only use PI if you have an open agreement. The expenses you have listed above fall within the category of General Administration. Even if you are using PI, you must submit a Financial Report and in order to submit a Financial Report you must have an open agreement. The Financial Report will need to be approved before any PI can be spent. Please note that 17% of your annual receipts can be used for General Administration NOT 17% of your balance.



PI-GA Cont'd

Question:

Can the PI-GA expended not be reported in the semi-annual and annual PI Reports?

Answer:

No, it needs to be spent under an open agreement. You cannot spend PI unless it is towards a National Objective or it is the 17% of your annual receipts that is allowed for use as General Administration.



CDBG PI

Question:

Follow up question regarding CDBG PI - the CDBG PI funds can be used for any current CDBG program, and not only the CDBG grant in which the PI funds are being generated?

Answer:

That is correct. There are three ways to encumber Program Income.

1. Submit a program income only application to HCD.
2. Put program income into your budget for an upcoming application. For the 2022 NOFA for example, you will have to let us know if you are planning on using program income for the activity.
3. Amending an existing contract to include program income. This can be done by submitting a revision amendment form. Contact your representative or grant administrator for more information regarding the amendment process.



CDBG Application Funding

Question:

How does a jurisdiction write a CDBG application if they cannot use existing PI as it has to be encumbered through a standard agreement? Many small jurisdictions do not have general funds to write applications.

Answer:

If you are preparing an application, you can incur pre-agreement costs that are considered General Administration and if you have budgeted those expenditures into your program budget, then you are able to claim these costs within the first Financial Report if you are successfully awarded funds. If you prepare an application and are not made an award, then these costs are not reimbursable. If you have an active award, you can use your General Admin budget to write other applications and apply for additional awards.



Planning Grant

Question:

We are trying to plan a grant where we will be installing sirens but are not 100% sure on the locations. We want to hire a consultant to ensure they are placed in the best location/situation (on a pole, attached to a building, etc.) We need to complete the NEPA prior to being able to draw down funds but could we solicit a consultant and sign a contract and then do a reimbursement request for the consultant and NEPA costs back to the date of the standard agreement?

Answer:

In this situation, it may be best to split this out into a planning grant first. This would allow you to do the NEPA first. The application requires NEPA be completed before the work is done which is why we have planning activities to be eligible as part of the NOFA.

Questions and Answers

