CDBG Office Hours

Team HCD CDBG

Wednesday, March 30, 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
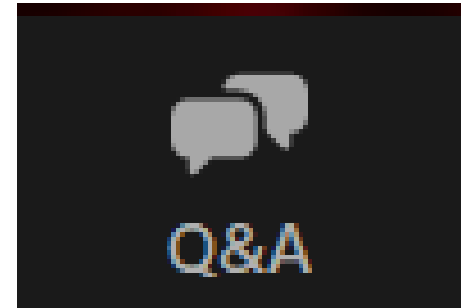
Announcement: CDBG-CV FAQs

- CDBG-CV FAQs are now available on our website. You can find them on the CDBG webpage under the 'Training and Technical Assistance' Section
- Direct link to the CDBG-CV FAQs: [Community Block Development Grant Coronavirus (CBDG-CV) Frequently Asked Questions (FAQs) (ca.gov)](ca.gov)
- This document contains questions received from Office Hours and e-mails from Grantees
- The FAQs will be updated periodically as we receive more questions
- Each question is tagged by its applicability
- Questions are categorized by common topics

CDBG Program Updates

2020 CDBG NOFA

❖ 1 Pending SA routing for final approval

2021 CDBG NOFA

❖ 64- applications submitted and reviewed for threshold
❖ The Notice of Conditional Contract Award Letters went out yesterday March 29, 2022

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
    - ➢ 1 Routing
    - ➢ 12 Pending Signatures
    - ➢ **132** Approved

CDBG-CV Admin Funding

- Administration funds should be expended in relation to Activity Funding
- Grantees must complete eligible Activities to justify expenditure of Admin
- HCD is noticing high rates of Admin expenditure with lower rates of Activity expenditure
- Grantees are responsible for completing activities and meeting performance metrics even if they deplete Admin funds
- Best practice is to expend Admin proportionately to activity funding, so there is sufficient Admin for reporting, claiming, monitoring and closeout

Management Memo re: Advancing Funds to be released later this week

- By Friday, April 1, HCD will release a management memorandum on how grantees with Business Assistance and Microenterprise CDBG-CV awards can request to receive advance funding to support their program goals.

- Please stay tuned for the e-blast regarding this memorandum.

- Next week, HCD will provide a briefing and be able to answer questions about the memo during Office Hours.

Questions and Answers:
Recap from Prior Office Hours

Income Verification Pt. 1

Question:

The entity that has been completing our CDBG/NSP eligibility is no longer completing that type of grant work so we are now completing them in-house. I'm currently working on an eligibility for someone who had numerous deposits from "Cash App" and "Venmo". I inquired if they have any type of side work/income and he sent me screenshots showing who sent the money that he then transferred into his checking account. He has provided a sworn statement of who the people were sending him the money and for what and that he does not have any side work. The transactions were just personal reimbursements and he had sold some items to a friend. To me, this looks like what me and my friends do (paying each other back for food, roommate transactions, selling personal items before an impending move). Would the checking and savings account transactions with the cash apps screenshots with his sworn statement be sufficient that these transactions are not "income"?

Answer:

You have collected a lot of great documentation, based on what you have shared, you can consider the documentation sufficient for income verification for the file.

Income Verification Pt. 2

Question:

Also, what limit would you consider substantial enough to question? He has a lot of lunch payment sized transactions. His transactions look like mine and my friends, nothing to me is a red flag. Just the cash outs that were sent from the apps to his checking account, for which I requested more information and I believe he supplied sufficient explanation and evidence. I did, however, only address those $50 or over. I would like to nail down a process as I believe this will be a common question.

Answer:

There is no HUD or HCD guidance on a dollar amount regarding this. You will need to put a clear standard in your program guidelines and apply this consistently at the local level.

Rental Assistance

Question:

If clients that have received utility assistance, will they also be eligible for rental assistance? Will Fair Market Rates apply?

Answer:

- If they have received any prior utility assistance through your CDBG program, they are not eligible, as they are only allowed to participate once under any specific funding source. This assistance is one-time, per the HUD regulations.

- CDBG-CV Rental Assistance tools to help grantees finalize their own policies and procedures will be provided by HCD in the coming weeks, if you need guidance on or before April 1st, please contact your GA.

- Regarding Fair Market, no, the program can provide assistance for any amount of rent paid through a lease or documented agreement, however grantees are welcome to establish maximum grant awards, or the use of caps such as Fair Market Rent, as long as it is clearly stated in their program guidelines and applied equitably and consistently.

Rental Assistance Pt. 2

Question:

Does the covered period of either up to the three or six consecutive months cover all arrearages or just those within the timeframe?

Answer:

The emergency payments period begins when the payment is made, not when the individual's or family's arrearage began. The start of the period of three consecutive months for annual CDBG that is not being used in response to the coronavirus or of up to six consecutive months for 2019, 2020, and CDBG-CV funds used in response to the coronavirus is related to when payments are made from the grant, not the date of arrearages. If an individual or family is one or more months in arrears, a grantee may cover some or all the amount in arrears within the first month of assistance and continue through the applicable consecutive period of assistance. For example, for an individual four months in arrears on rent who applied for emergency payment assistance under CDBG-CV, the covered period may include the four months they are in arrears within the payment for the first month of assistance then continue for up to five more months to fulfill the up-to-six-consecutive-month-period allowance. The grantee must base the assistance on a need (for CARES Act, the need must be related to coronavirus preparation, response, and recovery) and cover necessary and reasonable costs. If a grantee chooses to implement subsistence payments covering arrears, the grantee's policies and procedures for the program should set clear parameters for the types, amounts, and timing for assistance for each individual or family.

From: Office Hours 03/23/22

Rental Assistance Pt. 3

Question:

When does the requirement for a lead-based paint visual inspection come in?

Answer:

The 100-day emergency grace period begins at the time of payment going forward. Once the assistance period reaches 100 days, a visual lead-based paint inspection is required. If assistance is being provided to an individual or family that covers three months of arrears within the first month of assistance, the 100 days begins at the time of payment going forward. As an emergency payments assistance period approaches the end of the 100-day grace period, the grantee must undertake visual inspection if it wishes to continue FY2019 or FY2020 CDBG or CDBG-CV assistance.

Rental Assistance Amendment/Revision

Question:

We put that we would not provide rental assistance in the application for CDBG-CV Subsistence. Do we need to have a change of scope of work, etc?

Answer:

Yes, you need to submit a request to revise the scope of work so that rental assistance will now be included. If you're not reducing the number of beneficiaries, this would be a revision. Please refer to the management memo on amendments and revisions and this will walk you through the process of filling out a revision form and how to submit. Depending on what you had previously brought to public notice, you may need to have an additional public noticing and hearing. Additional guidance will be provided shortly.

From: Office Hours 03/23/22

Subsistence Payments

Question:

A clarification for Subsistence Payments. If the client has been assisted w/utilities and it hasn't been 3-months, the client can be assisted with rent?

Answer:

That is correct, as long as the three months are consecutive assistance.

3-Months vs 6-Months Assistance

Question:

If a tenant has received funds for 3-months and needs assistance again for an additional 3-months totaling 6-months, is this allowed?

Answer:

This would be allowed ONLY if all 6 months of assistance are consecutive. This would also trigger a lead-based paint inspection on the unit.

EA Revision

Question:

Regarding a completed EA from 2020 and new funding (CV and Homekey) that has come in after the EA was approved, does the EA have to be revised? I thought they were good for 5 years regardless of funding additions/changes.

Answer:

The EA would need to be revised to reflect the different funding sources. This may also depend on where this is in the process. If the EA had already gone through publication and completion, it's unlikely that the additional sources of funding would change the level of review. With minor changes, it's possible to add a memo to the file to address the changes. Please reach out to your HCD rep or grant administrator for an individualized response.

Procurement

Question:

For procurement of a consultant to help with our small business assistance program, I see that we are required to provide a reasonable cost estimate before we receive bids. However, the two firms that I asked said they wanted to respond to the RFP once they found we were asking for the information to release an RFP. How do you suggest we get a reasonable cost estimate if we do not want to eliminate potential bidders?

Answer:

The best way to do this is to ask another organization that may have done a similar procurement. You don't want to ask the entities that are going to bid on your project for the cost reasonable estimate on the project. However, if a consultant is interested in bidding, you can ask them for similar contracts they have done with other organizations and use this information to produce a general estimate, even if it's a range. You have leeway in your justification of cost reasonableness if it is based on information that you have gathered form accurate sources.

DOB Certification

Question:

CDBG CV 1 "Childcare Services" - DOB policy requirement. This policy needs to be signed by each recipient of childcare services, verifying they are not accessing other free/reduced-price programs. If the recipient is no longer here (they moved out of the area in 2022) who signs the DOB policy on their behalf?

Answer:

Best practice with DOB verification is that it occurs prior to any beneficiary receiving a benefit from CDBG programs. Ideally, this family would have signed the DOB policy prior receiving services; if that did not happen in this case and a file "clean up" is necessary as you have an unsigned DOB on file, the most likely answer is that you would not count that family as a beneficiary at this point in time. At this point in time you would just note to this file what occurred including services being provided prior to DOB verification being finalized.

Questions and Answers