

# CDBG Office Hours

Team HCD CDBG

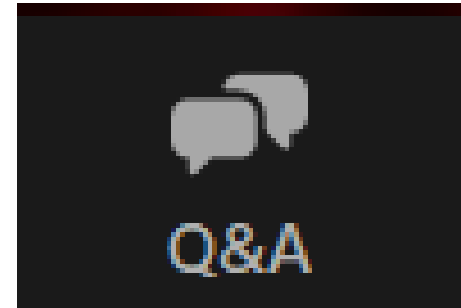
Wednesday, April 6, 2022





# 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 \(CDBG-CV\) Frequently Asked Questions \(FAQs\)](#)
- 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



# Clarification: NEPA Environmental Review Records

- For 2021 Awardees who were requested to submit revised GA and Activity NEPAs, staff has received revised direction:
- There are two acceptable ways to account for General Administration in a NEPA Environmental Review Record:
  - #1 – Prepare a standalone General Administration NEPA CENST Environmental Review Record for the amount of the General Administrative funds in your Standard Agreement Budget
  - #2 – Prepare a combined NEPA Environmental Review Record for the Activity and General Administration ensuring that you list that General Administration will be part of the activity.
- Either of these two methods is acceptable.
- Staff has been notified regarding this clarification and will provide updated direction on needed NEPA corrections.



# 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 on 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

- On April 1, HCD released 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.
- [Management Memo #22-01: Advance Funding for Microenterprise and Business Assistance Grantees](#)

# Management Memo #22-01

## Pilot Program to Advance Funding

Dolores Acurso, ICF





## This is a Pilot Program

- At this time, it pertains to CDBG-CV only.
- If the program is successful, in the future HCD may explore extending it to public services.
- Effective date April 1<sup>st</sup>, 2022



## Who Can Request an Advance?

- Must be a CDBG-CV Grantee
- Only for Microenterprise and Business Assistance Grantees
- To be eligible Grantee must have submitted acceptable threshold documentation.
  - Including the additional documentation for Economic Development activities



## What Can an Eligible Grantee Request?

- Funding for operational periods of 60-90 days.
- Limited to the minimum, immediate cash requirements to carry out the purpose of the approved activity, program, or project.
- Limited to no more than \$45,000 or operational funding for no more than one quarter, whichever is less



# Process

- Same mechanisms as Financial Reporting
- 3 distinct steps:
  - Filling out the new Financial Reporting form
  - Submitting information in the Grants Network Portal
  - Submitting required documentation
    - Use Financial Reporting form for current period but indicate Advance on Expenditure Worksheet.
    - Submit follow-up documentation (proof of expenditures) within 120 days after the date of advance approval.



# Expenditure Worksheet

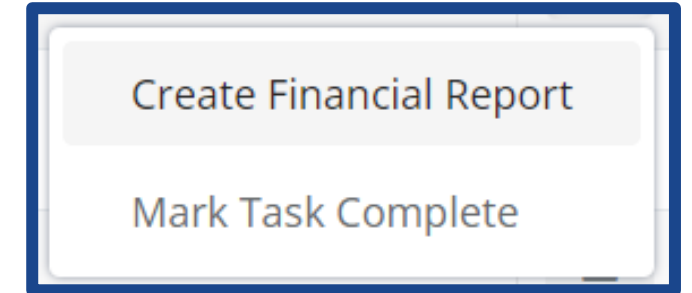
Community Development Block Grant - Coronavirus					
CV1 and CV2/3 Financial Reporting					
<b>Instructions for Completing this Expenditures Sheet</b>					
Please use this sheet to provide detail for all expenditures during the Reporting Period and ensure that you have followed these instructions.					
1.) Use the drop-down to select the <i>Category</i> (i.e. Activity, General Admin, Activity Delivery, Other); 2.) Enter the <i>Service Period</i> in which the expenditure occurred, this could be a specific date or range; 3.) Enter an <i>Expenditure Name</i> for this item that identifies the Service/Expenditure type; 4.) Provide a brief <i>Service Description</i> that directly relates to the approved Standard Agreement; 5.) Enter the <i>Amount</i> for that line item reported by this request; ** Ensure that documents are listed in the order in which they are provided in any attachments in eCivis. ** If necessary, provide additional details in the Service Description to make clear what costs are being reported, which costs are allocated or prorated, the basis for such allocation or proration, and any additional guidance important for HCD's review.					
<b>Total</b>					<b>\$ 27,000.00</b>
<b>Description of Claims for Reimbursement:</b>					
	<b>Category</b>	<b>Service Period</b>	<b>Expenditure Name</b>	<b>Service Description</b>	<b>Amount</b>
1	Activity Delivery	2/1-2/28/2022	Advance	Program staff salary for February	\$ 7,000.00
2	Activity	2/1-2-28/2022	Advance	Subsistence Payments to be issued February 2022	\$ 20,000.00
3					\$ -
4					\$
5					
6					
7					
8					





## Process (Continued 1)

- Grantee completes Financial Report in the Grants Network Portal



- Same as a reimbursement report, but Advance is noted in the narrative
- Grantee uploads Financial Reporting form showing Advance on Expenditure worksheet (previous slide)
- Grantee may upload additional documentation to justify request at this time.
- Follow-up proof of expenditure will still be required



## Process (Continued 2)

- Grant Administrator sets up Miscellaneous Task in the Grants Management Network to allow Grantee to upload proof of expenditures.
  - Task is named “Advance Payment Documentation.”
- Grantee must upload documentation proving expenditure of advance funds within 120 days of advance approval.



# Advisements

- Grantees may request advance funding only once during the term of the Standard Agreement.
- No future reimbursement payment will be approved while documentation of expenditure of the advance funds is outstanding.
- Quarterly Financial and Activity reports are still required.
  - Any additional financial report submitted while advance documentation is outstanding will be required to be a zero-dollar request.

**ONE TIME ONLY**

# Questions and Answers: Recap from Prior Office Hours





# Failed Solicitation Procedure

## **Question:**

What are the HUD requirements around a failed solicitation (specifically for a program administrator)? Is a failed solicitation an acceptable justification for sole sourcing a contractor?

## **Answer:**

You will need to submit to HCD what solicitation actions were made and documentation that tells the story of the failed solicitation. Once that documentation is received, we will determine if adequate effort was made and proceed from there.



# Beneficiary Demographic Data

## **Question:**

We have a CV2/3 public service grant that includes community outreach via flyers and presentations. What are the requirements for beneficiary demographic data collection for these activities? Surveying each attendee or each person who receives a flyer is not possible. Also, the beneficiary count submitted in the scope of work included the number of community members we expect to reach through these channels in addition to direct services, so we want to be sure we are providing the information expected by HCD/HUD.

## **Answer:**

The beneficiary demographic data requirement applies to the beneficiaries who received the service, not everyone who was marketed to. For those who receive the service, demographic information is needed. This can be accomplished through an intake or survey form, for example, that should be filled out by anyone who is receiving the service. The actual demographic information that you will need to collect depends on what your service is.



# eCivis Closeout Notification

## **Question:**

I received a notice of closeout but have an expenditure period of one month past the date noted in the notice. How should I go about closing out when I have an expenditure period past the closeout date?

## **Answer:**

We will need to provide further guidance in next week's office hours. This may have been an automatic reminder sent out by eCivis – we will be providing guidance on close-out soon! If you would like to send a screenshot of what you are seeing to Sandra for individual troubleshooting, please contact her via email at: [sandra.veirs@hcd.ca.gov](mailto:sandra.veirs@hcd.ca.gov)



# Closeout while 'Pending'

## **Question:**

Can we close out a grant while disbursements are still "pending"?

## **Answer:**

No, the system will not let you do this. It will also not let you submit an amendment while disbursements are pending.





# Economic Development – BA Funding

## **Question:**

Can a business like "Herbalife" qualify for BA funding? They have a storefront in the community so I would think so, but it's one of the companies that are a franchise and have several different people working for them to sell their product.... just not a straightforward business. If they are eligible, I'm guessing they wouldn't be considered to fall under LMA category and would most likely be based on business owner's income, correct?

## **Answer:**

- Eligibility: Grantees are required to include business applicant eligibility criteria in their program guidelines. HUD does not place limitations on the number of employees a business may have to qualify for assistance and does not exclude franchises from being eligible for CDBG assistance. However, if the grantee's program guidelines have limitations, then those eligibility criteria must be followed.
- National Objective: When reviewing the business for whether they qualify under LM Area Benefit, it is important to consider the nature of the services provided and whether those services are available to all residents in the community. It is not immediately obvious that a fee-for-service weight-management and nutritional supplement business would provide services that are available to all residents in the community, but HCD can review the narrative or justification from the grantee. The grantee may consider the use of other national objectives, such as job creation or retention.

From: Office Hours 03/30/22



# Conditional Award Letters: NEPA Pt. 1

## **Question:**

Regarding the "conditional award letters" that went out, I have an issue with the requests being made on the NEPA forms and changing the funding amounts. It is an unnecessary step to change these forms and get them resigned, and I don't think some of it is correct.

## **Answer:**

Please refer to slide 4 for updated guidance. Reach out to your program representative or grant administrator if you have additional questions.



# Conditional Award Letters: NEPA Pt. 2

## **Question:**

Regarding the prior question about the NEPA, I also reviewed our NEPA and the conditional award letter said that there was an amount of \$32,000 on page 2 but we did not have anything in that amount and our NEPA's seem correct as well.

## **Answer:**

Please refer to slide 4 for updated guidance. Reach out to your program representative or grant administrator if you have additional questions.



# Program Income

## **Question:**

As PI needs to be committed by the end of June, is it the total amount of PI or is there a certain amount that can remain on-hand?

## **Answer:**

The amount of PI that must be committed by the end of June is the amount that you had on hand as of January 1, 2022. Anything that you received after that date will not be counted towards that June total. We are working on a PI reporting form that will come to you via eCivis, it will be very clear on that form what PI needs to be committed by the end of June.



# Race/Ethnicity Intake Questions Pt. 1

## **Question:**

Are clients required to respond to race/ethnicity intake questions or is it voluntary?

## **Answer:**

Responding to those questions are voluntary but as the grantee, you do need to provide those questions.



# Race/Ethnicity Intake Questions Pt. 2

## **Question:**

We have the same issue about the race and ethnicity information. Some of our clients who are of Mexican decent do not wish to mark "White" and will leave this blank or not complete the section at all. The APR asks for this info. How do we reflect this?

## **Answer:**

The expectation from HUD is that all demographic fields are to be filled in and that these fields should add up to the total number of beneficiaries served. HUD has stated that in the absence of information an assumption of demographic information, as long as it is equitably applied, can be made and documented. Documentation could include a note from the person managing the applications that an assumption was made, or a policy can be created addressing this issue.



# PI-Only Housing Program

## **Question:**

What if you have a PI only housing program that was submitted under the 19-20 NOFA, when will the PI only applications be approved?

## **Answer:**

Please email Mamie Early directly at: [mamie.early@hcd.ca.gov](mailto:mamie.early@hcd.ca.gov)



# OTC Community Center Applications

## **Question:**

Is the CDBG Funding open for community type centers?

## **Answer:**

Yes, the building or rehabilitation of community centers is an eligible CDBG activity. However, this year's (2022) NOFA and last year (2021) NOFA, we have been funding down a list of applications that have applied in the 19-20 NOFA (considered our Over the Counter 'OTC' applications), so we will not be accepting new applications for community centers at this time. Another important component to consider is that you must meet a national objective, meaning that this community center would need to serve a low-moderate income people; so, you would need to refer to HUD's guidelines to determine if the community center would be serving a low-moderate income area (meaning that 51% households that live there fall below the area's median income). Another way to qualify is if the community center serves ALL low-moderate income clientele. If you are a grantee and have additional questions about this, please reach out to your HCD Rep or Grant Administrator so that they can help you directly. If you are a potential grantee and would like more information, please send an email to our program inbox: [cdbg@hcd.ca.gov](mailto:cdbg@hcd.ca.gov)





# CV-1 Grant Extension Status Pt. 1

## **Question:**

We submitted an extension request for our CV-1 grant. Can you provide an update?

## **Answer:**

Please reach out to your Grant Administrator for an update. All revision and amendment requests must be routed the same way as a Standard Agreement, so it takes some time.



## CV-1 Grant Extension Status Pt. 2

### **Question:**

There was talk of a blanket time extension for CV-1, correct?

### **Answer:**

Yes, there was. However, after reviewing the rules and regulations, we unfortunately are not able to do a blanket extension and must award extensions on an individual basis. If you need an extension, you must reach out to your Grant Administrator, and they will provide guidance on requesting an extension.



# eCivis Performance Period

## **Question:**

eCivis lists the Performance period as: 10/19/2020 - 10/19/2023 Is that correct?

## **Answer:**

It may or may not be accurate depending on how long it took to execute your agreement. Please reach out to your grant administrator for additional details.



# Section 3 Requirements

## **Question:**

If a contractor is not planning on hiring any new employees for a job, what qualitative efforts are they required to show to meet Section 3 requirements?

## **Answer:**

We would need to know the type of activity and the project being funded. Section 3 triggers construction activities. If this is a construction project that is over the \$200,000 threshold for a single project site, Section 3 will be triggered, and additional reporting will be necessary. This includes tracking all labor hours, verifying income for all laborers on site to determine their Section 3 status, and identifying their residential location to determine if they are targeted workers. All information would have to be tracked to see if you meet the threshold of 25% Section 3 workers. We can provide additional resources to assist with this, please reach out if needed.



## Section 3 Training

### **Question:**

When is the next section 3 training?

### **Answer:**

We don't have a scheduled live training coming up, but we do have Section 3 training recordings that will be available on our refreshed website in late April/early May. The HUD exchange has some great resources for Section 3 training and will provide those direct links in next week's office hours.

# Questions and Answers

