

# CDBG Office Hours

Team HCD CDBG

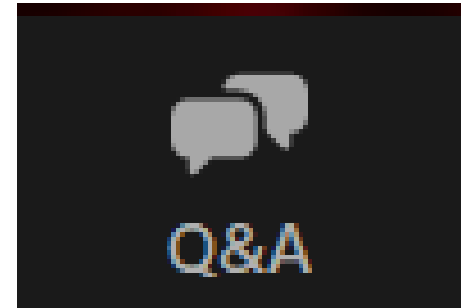
Wednesday, April 27, 2022





# 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





# Now Available! 2022 NOFA Trainings and Workshops

The following recordings of trainings and workshops for the 2022 NOFA are now available on the CDBG Workshops and Training Playlist!

- Resolution Training
- 2022 NOFA Workshop Sessions 1 and 2
- State Objectives, What you need to know
- Racial Equity Workshop
- National Objectives & Matrix Codes
- NEPA level of review workshop
- How to write an effective narrative
- eCivis Budget Training

To access these trainings and stay updated on other CDBG trainings and workshops, please visit [HCD Youtube - CDBG Workshops and Trainings Playlist](#)



# Upcoming Training

- TBD 2022 Application Technical Assistance Session

Look for notification of the new date. We are working on setting the date now that the 2022 NOFA has been published.

- To register for these trainings, please visit HCD's Eventbrite page at [California Dept. Housing & Community Development Events | Eventbrite](#)



# 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
- ❖ We are completing reviews of corrections as they come in.
- ❖ Only a few more days to get your corrections in. 4/29/2022 is the deadline.

## 2022 CDBG NOFA

- ❖ Dropped to the website 4/19/2022
- ❖ Housing & Community Development (Competitive) Programs due June 20, 2022 @ 3:00PM Pacific Daylight Time
- ❖ Economic Development Projects and Programs due July 18, 2022 @ 3:00PM PDT
- ❖ Applications in partnership with Non-Federally Recognized Tribes due August 19, 2022 @ 3:00PM PDT
- ❖ Amended 2019 Program Guidelines Published to HCD Website



# CDBG-CV

- CDBG-CV1
  - ❖ 82 Approved and Executed
- CDBG-CV2 and 3
  - ❖ 145 Approved and Executed



# CDBG-CV Set-Asides

- CDBG-CV Homekey Set-Aside
  - 25 Submitted Applications:
    - 0 Awaiting Corrections
    - 13 Routing
    - 0 Pending Signatures
    - **0** Approved
- CDBG-CV Tribal Set Aside
  - 19 Submitted Applications:
    - 6 Awaiting Corrections
    - 10 Routing
    - 0 Pending Signatures
    - **0** Approved



## 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.
- **Link:** [CDBG Management Memo #22-01: Pilot Program to Advance Funding for CDBG-CV Microenterprise and Business Assistance Grantees](#)





# CDBG and CDBG-CV for Rental Relief Programs – Training Today at 11am

- Not too late to register! Go to: [Webinar Registration - Zoom](#)
- HCD will review key policy requirements and best practices in designing and implementing rental relief activities. The training will also identify key requirements for Rental Relief programs as stipulated by the CDBG-CV Federal Register Notice.
- Materials available on HCD's website.

[Management Memo #22-02: CDBG/CDBG-CV Rental Relief Program \[r20.rs6.net\]](#)

[CDBG/CDBG-CV Rental Relief Program FAQs \[r20.rs6.net\]](#)

[State CDBG and CDBG-CV Rental Relief Program - Policy Considerations \[r20.rs6.net\]](#)

[CDBG Rental Relief Application Template \[r20.rs6.net\]](#)

[CDBG-CV Rental Relief Application Template \[r20.rs6.net\]](#)

# Questions and Answers: Recap from Prior Office Hours





# Rental Assistance Pt. 1

## **Question:**

Can you please clarify that we will be allowed to assist clients with rent through CDBG-CV if they have already received ERAP/Housing is Key even though they are technically both CARES Act funding?

## **Answer:**

Correct, as long as there is not an overlap in that funding and it ties to the April 1 date. If a household is receiving a partial subsidy, CDBG can fund the rest of that subsidy to cover more of the cost. You cannot have CDBG and another CARES Act funding the same amount of money over the same time period.



## Rental Assistance Pt. 2

### **Question:**

To clarify what is considered Exhibit E of the standard agreement (SA), does it refer to the project description of our application? We have 2 programs, neither SA states rental relief in the project description of Exhibit E specifically. Do we need an amendment?

### **Answer:**

This depends your original project description. If you had something that was more generic such as subsistence payments, and rental relief was a component of that, then it wouldn't require an amendment. If in your standard agreement you explicitly stated you were going to cover mortgage/utilities but not rental, then you would need to submit a revision to your scope of work. If you were doing a different activity such as business assistance and you now want to do rental assistance, you would need to go back out to the public and your board to get permission to change the activity. Reach out to your grant administrator for additional guidance.



# Single Audit

## **Question:**

What year single audit do we need to be eligible to apply under the 2022 NOFA?

## **Answer:**

We are looking for the most recent single audit that was done for your jurisdiction. If you are exempt, you must upload proof of your exemption.



# 2022 NOFA Appendices

## **Question:**

Are there updated appendices to the 2022 NOFA?

## **Answer:**

Yes, there are updated appendices. HCD is currently working to get all of those up on the eCivis site. It's important to use the appendices specifically in the solicitation that you are applying in as there are footers specific to those solicitations. They will be located in the files tab of the solicitation page for HCD and will all be available in the coming week.



# HCD Trainings

## **Question:**

Where can I find the training schedule on HCD's website?

## **Answer:**

We don't have a training schedule posted currently, but we are working on pre-recorded trainings that will be posted on our website and YouTube channel soon.



# PI Admin

## **Question:**

What can PI admin be used for without having an open SA?

## **Answer:**

You can't use PI for admin funds without an open Standard Agreement. The only way to expend PI administrative funds is to do so within a Standard Agreement. Please reach out to your Grant Administrator or HCD Representative to see options for utilizing the PI administrative funds.





# CDBG OOR Loan with PI

## **Question:**

Can a Jurisdiction make a CDBG OOR Loan with PI if they don't have an open standard agreement?

## **Answer:**

No, you must have an open standard agreement. If you want to provide this type of loan, you will need to submit a Program Income only application.



# PI for Public Services Activities

## **Question:**

What are the restrictions regarding the use of PI for public services activities?

## **Answer:**

PI cannot be used for public services activities because there is a cap of 15% of HCD's total expenditures each year. The only exception to this is if you are putting your PI into a CV-1-2-3 project (the cap was waived under the CARES Act Federal Register).



# Defederalization

## **Question:**

Can you please explain how the \$35,000 defederalization works and what that money can be used for?

## **Answer:**

Essentially, if you receipt \$35,000 or less in any given HCD program year, from July 1<sup>st</sup> of a given year to June 30<sup>st</sup> of the same fiscal year, then that is below the threshold for being CDBG Program Income. To defederalize funds, you make a note to the file and remove those funds from your dedicated program income account and put them into a separate account. They would then no longer have the federal regulations associated with them and can be used as you would use any other general funds.



# 2022 Application: Planning

## **Question:**

Is a PTA to develop plans and specs for a public improvement project in support of housing eligible?

## **Answer:**

There is a planning component of the 2022 NOFA so yes, that is an eligible activity to apply for. Please note that there is a separate allocation under ED for ED planning activities, so if it is an ED planning application, you would need to apply under the ED solicitation.



# 2022 NOFA Projects

## **Question:**

Sounds like the 2022 NOFA is program and planning only? No capital projects?

At this time, we are still chipping away at the OTC waitlist. This will be the last year that non-housing and housing solicitation will not be available; we expect that this solicitation will be available again in the 2023 NOFA.



# Technical Assistance Applications

## **Question:**

Are Technical Assistance applications not being allowed this time around?

## **Answer:**

TA is being allowed for Housing Planning, Public Services Planning and Non-housing Planning. Under Economic Development, there is also a separate allocation for Economic Development Planning and Technical Assistance activities.



# PI-Only Applications

## **Question:**

Does a PI only application ride along with normal NOFA schedule, deadlines etc.?

## **Answer:**

It is an over-the-counter application. We do update this every year corresponding with when the new NOFA is released. Everything is anticipated to be published later today for the 2022 applications.



# PI Maximum

## **Question:**

What is the current maximum of PI that you can put on a planning grant?

## **Answer:**

The maximum amount of PI that you can apply for a PI-only application or to augment a standard application, the PI allocation may not exceed 17% of your annual receipts.





# OTC Funding

## **Question:**

When will you be announcing the OTC funding?

## **Answer:**

Once we get through finalizing all correction reviews, we will have a better understanding of the amount of funding we will have available for OTC and will be announcing this soon.



# CDBG Housing Rehabilitation Sample Guidelines

## **Question:**

Has CDBG come out with sample guidelines for housing rehabilitation and homebuyer assistance that I should modify for use to submit with a program income only application?

## **Answer:**

The template for Owner Occupied Rehab can be found at this link: [CDBG Housing Rehabilitation Program Guidelines](#)

We do not have a First Time Homebuyer Template available at this time.



# Social Security Verification

## **Question:**

In response to Verification of Social Security Benefits, Social Security sent a Consent for Release of Information form. The form states that they (SSA) may charge a fee for non-program purposes. Don't want client to be charged. Ok to rely on New Benefit Amount statement?

## **Answer:**

It would not be necessary for them to pay a fee for verification through SSA. They should have access to their SSA portal, where they are able to print out Social Security Verification for free. A Benefit Amount Statement is sufficient for Verification of Social Security Benefits.



# HCD Representative Changes

## **Question:**

Our rep was Shawn who is no longer there, who can I reach out to?

## **Answer:**

Please reach out to Mamie Early or Sandra Veirs. You can always send questions to the general CDBG mailbox at [CDBG.ca.gov](mailto:CDBG.ca.gov), which is monitored by Mamie and Sandra. Any general questions regarding CDBG can be sent to that email address.



# Covid-Nexus

## **Question:**

This is a follow-up regarding data for COVID-nexus I asked next week regarding employment. Compared to Feb 20, our unemployment rate has recovered, HOWEVER, our Labor force is 1000 people smaller (in our county of 45,000). This is substantial. We are trying to increase our ability to get funds out to Microenterprises, and if I can tie it to job-creation/retention for LMI (as opposed to explicit loss of revenue), I think this will be a boon for our communities. It may also help these mom & pop's pay a better wage that helps increase the Labor Force (which is desperately needed, help wanted signs are everywhere). Does this make a decent threshold for the COVID nexus?

## **Answer:**

Yes, writing it up in the file and demonstrating each eligible applicant's justification at the moment in time at which you are reviewing the application given the specific economic climate. It will be dependent on evaluating each project on an individual basis.



# Part 5 Income

## **Question:**

For part 5 income, if someone has a child support award but are not receiving payments (or are receiving less than the award), can we use the last six months of actual payments to forecast an annual amount?

## **Answer:**

You will need to make sure that the documentation in the income verification files is as accurate and up to date as possible. If you have the legal documents that show someone is supposed to be given a specific amount of child support, you can show through bank statements or other verified methods that payments are not being received. Then you can accurately document your part 5 income based on the current amount that they are receiving. If the file includes child support statement but they're not receiving that, then you need to have it in the file so that any auditor can come in and understand fully why the calculations were made in this way. There is also guidance on this in the 4350.3 HUD handbook on income verification.



## Section 8

### **Question:**

Can we assist rental applicants who receives section 8?

### **Answer:**

There are many particulars that we would want to look at. However, in general, CDBG subsistence payments can be used to pay the gap, assuming your program guidelines are allowing it and the COVID tie back is being met. You would not be able to use the program to duplicate their benefits, it would be the gap only.



# Rental Income

## **Question:**

If applicant has a rental house, do we use Cash Value of asset in addition to the rental income?

## **Answer:**

More information is needed to determine a complete answer to this question, however the rental income would be considered in Part 5 income. In the 4350.3 Revision 1 HUD Handbook there is a formula for converting the asset to income and taking the higher of the two amounts.