

# CDBG Office Hours

Team HCD CDBG

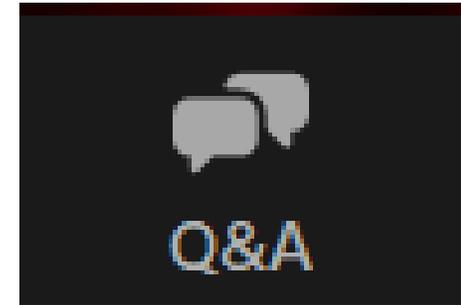
Wednesday, May 25, 2022





# 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
- ❖ 46 are recommended for approval.
- ❖ We are pending HCD internal process for DO approval

## 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
- ❖ Some of the Appendices to the NOFA are awaiting approval. Once approved we will add them to the Files Tab, do an eBlast and announce them ini OH.



# 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
    - 25 Routing
    - 0 Pending Signatures
    - **0** Approved
- CDBG-CV Tribal Set Aside\*
  - 19 Submitted Applications:
    - 6 Awaiting Corrections
    - 11 Routing
    - 1 Pending Signatures
    - **5** Approved

\*As of 5/24/2022

# Questions and Answers: Recap from Prior Office Hours





# Planning Grant Application

## **Question:**

Does a planning grant application that is for a jurisdiction's income survey meet the National Objective of LMA?

## **Answer:**

Unfortunately, after internal discussion and research, we have learned that an income survey is NOT an eligible planning activity. All planning activities under State CDBG must meet a National Objective. An income survey does not plan for meeting a particular National Objective, nor is it guaranteed that the survey will result in a determination that 51% of the population of a particular service area is LMI.

Income surveys can be completed with General Administrative funds as those do not have to meet a National Objective. This is the only way that income surveys can be funded by CDBG.

The Department understands the need for conducting income surveys as the ACS data has large margins of error in rural area. We are working on some strategies for assisting our communities to access resources to complete them.



# Income Survey

## **Question:**

Can we conduct an income survey under CDBG grant?

## **Answer:**

Per the previous response, Income surveys can only be completed with General Administrative funds as those do not have to meet a National Objective. This is the only way that income surveys can be funded by CDBG.



# General CDBG Inbox

## **Question:**

I have sent several emails into [cdbg@hcd.ca.gov](mailto:cdbg@hcd.ca.gov) about the applications in response to the 2022 NOFA due June 21. I have not heard a response. With such a short time to submit applications, when should I expect a response and when should I follow up?

## **Answer:**

We will do our best to respond in up to 72 hours, if you haven't heard from us within that time frame, please follow-up.



# 2021 Application Approvals

## **Question:**

Do you have an idea of when the 2021 applications will be approved and when the 213s will be issued? Any information would be much appreciated.

## **Answer:**

We do not have a time frame as of this moment as it is still going through the internal approval process through our directors. This internal approval process has recently changed so we do not have an accurate time frame. We are continuing to work on this however and will continue to provide updates.



# CDBG-CV Programmatic Questions

## **Question:**

Regarding the SBA CDBG-CV program: Are programs eligible to show the need for loss of revenue with the 2018 taxes compared to the 2020 taxes if the business was closed in 2019 due to personal reasons as they were facing regulations and loss of 2020 when they were ready to reopen.

## **Answer:**

If the business closed at the time of the shut-down mandate, it will be hard to prove the COVID tie-back. However, please reach out to your Grant Administrator so that we can offer accurate guidance based on further details.



# CDBG-CV Programmatic Questions Cont.

## **Question:**

Owners that took over in the beginning of 2020 or 2021 do not have a comparison on loss of revenue for the need of assistance. What document is acceptable to show the need for the SBA CDBG-CV assistance?

## **Answer:**

Additional information is needed as this answer is on a case-by-case basis. Please reach out to your Grant Administrator for specific guidance.



# Microenterprise Funding Limits

## **Question:**

Am I understanding correctly that there is no limit to the amount that can be provided to a Microenterprise business in direct financing for regular applications, but the CV application did set a limit of \$100,000? So, moving forward, there isn't a limit?

## **Answer:**

This is correct, however, while CA does not specifically set a limit, there are still program design considerations. Funding for businesses should be at a level that will help them get moving but not overly enriching or subsidizing them. All costs need to be reasonable and there must be justifications for the amount that you are giving them. When designing your program and writing your program guidelines, you also want to balance the amount of funding with the number of businesses that you will be able to assist. If you set your limit very high, it's possible to spend down all funding without helping many recipients.



# eCivis Account Creation

## **Question:**

How can we go about creating different accounts for a jurisdiction on eCivis?

## **Answer:**

Click the “apply” button under the solicitation you are intending to create an account for. This will prompt a login screen, which is where you can start creating the new profile for whichever jurisdiction you are trying to create an account for.



# Income Certification Guidelines

## **Question:**

Will the Grant Management Manual include updated guidelines on Income Certifications?

## **Answer:**

The manual itself may not contain this information, but we are working on additional guideline information that will be available soon.



# Grant Management Manual

## **Question:**

Is the ED Chapter ready yet?

## **Answer:**

Yes, the chapter is ready. Due to the website re-design, there were some setbacks. We are hoping to have this chapter, along with the environmental review chapter, updated and published shortly.



# Scored Items

## **Question:**

For housing activities, such as owner-occupied rehab, would we need to have a draft program operator contract in place and finalized program guidelines as a threshold item or will that just play into scoring in the readiness category?

## **Answer:**

What you're referring to is going to be a scored item. The lower your score, the lower your rank so this comes with its own set of risks. You will score higher if you have a program operator in place and finalized program guidelines. You will score lower if you have not yet finished selecting your program operator and you have only produced draft guidelines.



# CDBG-CV Closeout

## **Question:**

What is the status of the CV Closeout Memo?

## **Answer:**

This is currently being drafted. The documents are ready but the main component that we are finalizing is making sure everything is functional in the eCivis system and finalizing what will be required in eCivis. We will give more specific updates as soon as we have them.



# OTC Status Update

**Question:**

OTC update?

**Answer:**

With the 2021 NOFA we were able to fund down many of the 46 recommended approval OTC applications. Right now, the HCD team is working on reconciling past funds so that we can continue to fund down the list. Our goal is to complete the list before the 2023 NOFA.



# Encumbering PI Pt. 1

## **Question:**

Is reporting the intentions on how to encumber PI sufficient to not have a sweep back or does a jurisdiction have to have it submitted in an application by June 30?

## **Answer:**

This is going to depend on what your plan is. If you're submitting a PI only application, then there should not be an issue with submitting by the deadline. If you are planning to apply the PI to a 2022 NOFA application, then the due date is the due date of the application. If you're planning to amend an award that you already have by adding PI to it, June 30<sup>th</sup> is the deadline. If you have an unusual circumstance that prevents you from submitting a PI only application or amendment by the June 30<sup>th</sup> deadline, you must communicate to your GA or your HCD Rep in writing prior to June 30<sup>th</sup>.



# Encumbering PI Pt. 2

## **Question:**

If the PI to be encumbered is any on-hand from December 2021, it is assumed that the encumbrance (or request to defederalized) is based on calendar year and not fiscal year. Is this correct?

## **Answer:**

Everything is done based on the program year which is July 1<sup>st</sup> to June 30<sup>th</sup>. We are asking for a semi-annual report, which is the December 2021 date, so you are reporting what your balance was 6 months prior to the end of the fiscal year.



# Encumbering PI Pt. 3

## **Question:**

If HCD goes by Fiscal year, and we are encumbering as of January 1, 2022 when will we need to encumber January - June?

## **Answer:**

January through June of 2022 receipts, as well as July through December 2022 will need to be encumbered or have a defined plan for encumbering the cash on hand as of January 1, 2023, by June 30<sup>th</sup> of 2023.



# Encumbering PI Pt. 4

## **Question:**

For program income only applications the balance should be as of January 1, 2022, correct? Also, if the resolution approves spending additional future income, don't we just need to get approval from HCD at that point to spend the additional program income received?

## **Answer:**

Yes, that is all correct. In addition, if you have receipted additional PI between January 1 and the time of submitting the PI only application, you may include that in your PI only application if that is what your jurisdiction chooses to do.



# Encumbering PI Pt. 5

## **Question:**

At the end of the Fiscal Year if the jurisdiction has receipts of PI under \$35k then the funds would be defederalized?

## **Answer:**

That is correct. If at the end of Fiscal Year 2021-2022 which runs from July 1, 2021 through June 30, 2022 the grantee has receipted less than \$35,000, then the grantee must notify in writing to HCD that the funds have been “defederalized” and removed those funds from the PI account.



# Encumbering PI Pt. 6

## **Question:**

If at January 1, 2022 the PI cash on hand (not receipts) is under \$35k and not already encumbered in a grant then a PI application does not have to be submitted to prevent sweep back?

## **Answer:**

The \$35,000k is based on the amount receipted in any given fiscal year. If you have receipted less than \$35,000 so far during the 2021-2022 Fiscal Year, you could withhold the amount receipted so far from what must be encumbered if you anticipate that by June 30th 2022 it will not exceed \$35,000 and could, at that point, be “defederalized” and removed from your PI account. Without knowing the specifics of how your cash on hand balance came to be under \$35,000, we can’t give an answer about whether it would be swept back or not. Please reach out to [felicity.gasser@hcd.ca.gov](mailto:felicity.gasser@hcd.ca.gov) for more specific direction.

# Questions and Answers

