

# CDBG Office Hours

Team HCD CDBG

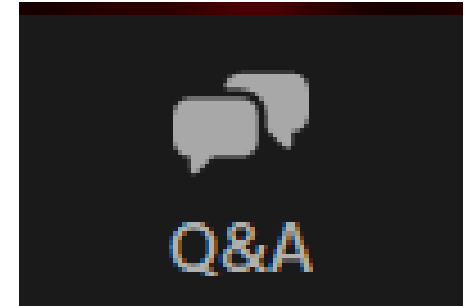
Wednesday, August 23, 2023





# 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





## Request for Housing Project Profiles – Leveraging CDBG with HOME or USDA funds

- Do you have a housing project or infrastructure in support of housing project that:
  - combines CDBG and HOME funding?
  - combines CDBG and USDA-RD funding?
- If so, we'd like to get your project information so we can elevate it as a success story at a national level.
- Please contact Janice Waddell to share your project:  
[Janice.Waddell@hcd.ca.gov](mailto:Janice.Waddell@hcd.ca.gov)



# CDBG Program Updates

## **2022 CDBG NOFA**

- 42 Recommended for Award
- 1 Awaiting Corrections
- 7 Pending Final Approval
- 12 Routing
- 22 Approved

## **2023 CDBG NOFA**

- Projected 2023 NOFA drop date: September 2023 – OTC Waitlist Only (approx. \$19M)

## **2024 CDBG NOFA**

- Projected 2024 NOFA drop date: January 2024 – Competitive and OTC (approx. \$48M)



## Reminder CDBG check in calls

- If there is a scheduling conflict, please reach out to your representative to reschedule prior to the meeting.
- We do ask that a representative from the City/County be present on the all check in calls.



## CDBG Program no longer requires APRs

- All reporting is done via eCivis Activity Reports, Financial Reports, the PI Receipting and Reporting Solicitation and CDBG Closeout Reporting.
- The only exception is that MBE/WBE reporting also needs to be collected. MBE/WBE surveys will be sent out as a link via a Miscellaneous Task in eCivis. Grantees will have 30 days from receipt of the task to complete the survey. We'll announce when the survey is out during OH and in the newsletter.



## **CDBG-CV Set-Asides**

### **CDBG-CV Tribal Set Aside\***

- 19 Submitted Applications:
  - 1 Rescinded by Applicant
  - 2 Awaiting Corrections
  - 1 Routing
  - 0 Pending Signatures
  - 15 Approved

**\*As of 8/21/2023**



## Poll Regarding Q&A Recap

- Currently, the CDBG/CDBG-CV Team prepares a recap of the questions asked during the previous Office Hours session and reads the answers out loud during Office Hours. These answers provided verbally are then presented in writing in the newsletter for that week. Sometimes, during the recap, clarifications are provided or details are solidified. Poll: Would you like the CDBG Team to continue presenting a recap of the previous Office Hours Q&A?



# Questions and Answers: Recap from Prior Office Hours





# Triggering Davis Bacon

## **Question**

Question regarding the potential triggering of Davis Bacon in regards to a Microenterprise program. Would the purchase of a temporary greenhouse be eligible? This greenhouse would not be permanently fixed, and the assembly of a high tunnel greenhouse requires no tools and is just a frame and poly layers. They must be taken down before the winter gets too intense, and due to snow and wind, it is estimated they would only last 5 years in Siskiyou County. They do not utilize electricity and are not heated, and they could feasibly and easily be moved to different locations.

## **Answer**

This would most likely be acquisition of equipment, and you would not need to hire a contractor to build the units (rather they would be assembled by the business owner themselves), so it would not trigger Davis Bacon. If installation of these greenhouses would require permitting under your local code, then this could trigger Davis Bacon.

**From: Office Hours 8/9/23**



# CDBG-CV Closeout

## Question

Would HCD be willing to go over the CDBG-CV closeout process again and remind us where we can find closeout files? Like public notice templates for a closeout hearing, forms, etc.

## Answer

You can find information in the [Closeout Management Memo](#). For materials from the closeout package or specific questions please reach out to your GA to go over closeout requirements. For annual CDBG, reach out to your HCD representative.

**From: Office Hours 8/9/23**



# Applicability of the 50% Rule

## **Question**

Does the spend down of CDBG-CV2-3 grants count towards the 50% rule for the January NOFA?

## **Answer**

No, the 50% rule only takes into consideration the annual program.

**From: Office Hours 8/9/23**



# Closeout and the 50% Rule

## **Question**

Does closing out of a grant count towards the 50% spend down requirement of a category?

## **Answer**

The 50% rule currently only applies to our competitive programs which are planning and public services. For currently open planning awards that have not spent down 50%, you will not be able to come in for another planning award. If you have any public services award that has not yet spent down 50% then you cannot come in for another public services award under the upcoming NOFA. The cutoff period is the application deadline. If you are planning to apply with January NOFA, the application will open in February and close in April, so be sure to get spending of your open planning and public services awards underway.

**From: Office Hours 8/9/23**



# OTC and the 50% Rule

## **Question**

Does the 50% rule apply to the over-the-counter applications (economic development, public facilities improvement). We have an active public facilities CV2-3 grant that has not met 50% as of today, and I am wondering if that would affect applying for OTC grants in the Jan 2024 NOFA.

## **Answer**

CDBG-CV awards do not count toward the 50% rule, and pursuant to current CDBG Program Guidelines, Over-the-Counter applications are not subject to the 50% rule. You are in the clear if you have a shovel ready project for 2024.

**From: Office Hours 8/9/23**



# 50% Rule Applicability

## Question

So the 50% rule no longer applies to ED programs, OOR programs or homebuyer assistance programs?

## Answer

That is correct. Based on current program guidelines, Over-the-Counter applications/awards are not subject to the 50% rule. So, the move of ED programs and Housing Programs from competitive to exempt means that the 50% rule doesn't apply to them. We are contemplating an update to guidelines to encourage timely expenditures, so the applicability of the 50% rule may change at a future date.

**From: Office Hours 8/9/23**



# 2020 Contracts Extension

## Question

Any chance 2020 contracts can be extended a year?

## Answer

No.

From: Office Hours 8/9/23





# 2018 Grants Closeout

## Question

We are closing out three 2018 grants. The contract ends on 9/16/2023. Do all closeout reports need to be submitted in eCivis by that date or is there time to submit them after that?

## Answer

Per the 2018 Standard Agreement boilerplate:

**Expenditure Deadline:** All Program funds shall be expended no later than 36 months (three (3) years) from the final Department execution date of this Agreement as identified on the STD 213. All requests for funds must be submitted prior to the Expenditure Deadline.

**Reporting Deadline:** All activities except activities in support of new housing construction and activities in support of economic development must report final beneficiaries no later than thirty (30) days after the expiration of the Expenditure Deadline. Extensions for final reporting must be approved in writing by the Department.

If you have additional questions, please reach out to your HCD representative so that they can assist you in looking at your standard agreement.

**From: Office Hours 8/9/23**



# OTC Grant Construction Timeline

## Question

For OTC grants, I thought that they had to go out to bid in 90 days not begin construction in 90 days?

## Answer

Thank you for the correction. At application, all Over-the-Counter projects must be ready to go out to bid within 90 days of award.

**From: Office Hours 8/9/23**



# 2024 OTC Funding Sources

## **Question**

Earlier, you stated that 2024 OTC applications must identify all funding sources. Does this mean the sources must be awarded? Or just identified? For example, if a funding application for a second source is still under review and not yet awarded, will this be acceptable?

## **Answer**

This goes back to the readiness criteria, which requires readiness to go to bid within 90-days of execution of the standard agreement and that must be demonstrated at the time of application. So, if that funding source is not already secured, you are not “shovel ready” unless you are able to phase the project and proceed without that extra funding. The simple answer to your question is that you must have the funding to complete the project secured at application.

**From: Office Hours 8/9/23**



# 90-Day Rule

## Question

Timing is critical for communities and release of bid dates can impact the pricing - if the 90-day release is a period that would cause costs to be higher can we work with your team to extend that date to ensure the project receives the best pricing? We will be ready to bid but we may not want to bid based on the timing. Any grace?

## Answer

Per conversation with CDBG leadership, as long as the grantee can demonstrate that they are ready to go to bid in 90 days, the timing of going out to bid may be adjusted pursuant to market conditions, assuming that a project can still be completed within 33 months of the award being made. (Note – the period of performance is being shortened from 36 to 33 months in the 2023-2024 NOFA cycle to allow adequate time to close out the grants prior to contract expiration)

**From: Office Hours 8/9/23**



# Code Enforcement in Housing Rehab Pt. 1

## Question

For code enforcement projects, what percent of the total funds should be allocated for housing rehab in a \$750k program?

## Answer

We are collecting data on this matter currently, so we do not have this number yet. As soon as we have a data-informed relationship, it will be shared prior to January and ultimately included in the January NOFA.

**From: Office Hours 8/9/23**



# Code Enforcement in Housing Rehab Pt. 2

## Question

Can you expand on these new statements that code enforcement must run "as part of a housing program"? What does HCD think this would look like?

## Answer

Under the regulations for CDBG the intent of code enforcement is that it run as an effort to mitigate substandard housing issues. We are requiring code enforcement coupled with a housing rehab project. The code enforcement under CDBG is not meant to fund a jurisdiction's entire code enforcement program, but rather be tied to improving condition of the available housing stock. In 2024 NOFA, you can include code enforcement, housing rehab, and first-time home buyer in a Housing Program application.

**From: Office Hours 8/9/23**



# Code Enforcement in Housing Rehab Pt. 3

## Question

Regarding Code Enforcement/Rehab-Often times citations are issued to investor (rental) homes, and OOR would not be available to those cases.

## Answer

We are not stating you need to have an available resource to resolve this situation, but that generally you have a qualified resource like a homeowner.

If in your jurisdiction you have an issue of code enforcement, where a large percentage of the code enforcement citations are for rental homes, then you might want to consider designing your Housing Rehab program in a way that you can aid investor-owned homes with the requirement that those units have restricted occupancy and are made available to low-income households.

**From: Office Hours 8/9/23**



# Code Enforcement in Housing Rehab Pt. 4

## Question

It would be interesting to hear from organizations that have code enforcement with a successful housing rehab program since the housing rehab program requirements is often beyond what homeowners/renters want to complete.

## Answer

That's a great idea! We can invite the jurisdictions that are already doing this to present in a future Office Hours webinar.

**From: Office Hours 8/9/23**





# 2024 NOFA Standard Agreement Delivery

## **Question**

I missed the slide on the estimated delivery of the 2024 NOFA funds/standard agreement. Was it September 2024?

## **Answer**

HCD anticipates routing by November 2024 and executed standard agreements by December 2024. We are working to streamline the processes, but our goal is to get Standard Agreements out sooner rather than later. While it is a January NOFA release, the NOFA will be published for 30 days and then the application will be open for 60 days. So, it's actually 90 days from release when we would close the window for applications to be submitted.

**From: Office Hours 8/9/23**



# Technical Assistance Programs Pt. 1

## Question

Regarding the use of CDBG funds for providing TA to potential business loan applicants. Is there a general idea of the budget for loans and TA that we should bear in mind?

## Answer

We assume that you are posing this question because of our plan for the January 2024 NOFA to fund Economic Development programs and that program can include a microenterprise activity, a business financial assistance activity and a technical assistance activity, and that was in response to that community practice meeting we had a few weeks ago. Currently, unless assisting a microenterprise for which TA can be included in the assistance provided, grantees are having to send potential business assistance clients out to other nonprofits to get the TA and then have them come back to get the loan when the client is loan ready. This change in our NOFA eligibility should facilitate operating an all-encompassing Economic Development program, so that grantees can offer TA and then the loan. The intent is to allow businesses to become loan ready under a grantee's program, but we are not mandating that the grantee make a loan after providing TA. A grantee could apply for a TA-only Economic Development program if that is the local need.

**From: Office Hours 8/9/23**



# Technical Assistance Programs Pt. 2

## **Question**

Why can't Economic Development TA be funded under LMC, and only under LMA or LMJ? Some jurisdictions aren't LMA.

## **Answer**

18C (Microenterprise Assistance) allows for both financial assistance and technical assistance under LMA, LMJ, or LMCMC, which is the National Objective code for microenterprise when the business you are assisting is the beneficiary. If you're providing TA to a business that is not a microenterprise, then you cannot use LMCMC because the beneficiary has to be counted in jobs or as a low-income area and there is no beneficiary to count as LMC/LMCMC. Please refer to the [Matrix Code/ National Objective Table](#) for reference.

**From: Office Hours 8/9/23**

Questions and Answers:  
Please submit your question(s) via Zoom  
Q+A

