



## New Resources Available

### Website and Grant Management Manual

HCD's updated website went live in May of 2022. There is lots of information contained within the many tabs and buttons on [HCD's Community Development Block Grant page](#).

To access all the resources found on this page, scroll down to where you see five dark blue tabs. The open tab is light blue with black text. The closed tabs are dark blue with white text (scroll down to see all information in this tab). Click on each of the tabs to open the relevant information.

The last tab is the **Grants Management Manual**. Here you will find updated Chapters, Tools, and Appendices all designed to assist CDBG grantees in setting up, operating, and closing out CDBG compliant programs and projects.

### Webinars

In addition to the resources above, HCD has posted several recorded videos to the Department's YouTube channel. Check out these great informational and training videos: [HCD YouTube - CDBG Workshops and Trainings Playlist](#)

For office hours recordings, please see our [CDBG Office Hours Recordings Playlist](#).

### HUD Exchange Resources

HCD recommends that grantees review these new HUD posted resources:

- CDBG Matrix Codes: [Matrix Code Definitions](#)
- Section 3 Final Rule trainings, sample forms, and HUD resources on the DR Subrecipient Trainings page found here: [Disaster Grant Administration & Reporting | California Department of Housing and Community Development](#). When you click on the Subrecipient Trainings slide out, please scroll down to the Section 3 header to find all the information.
- HUD Exchange Section 3 Tools found here: [new and revised tools \[HUD Exchange\]](#)
- CDBG Income Survey Guidebook & Toolkit: [CDBG Income Survey Toolkit \[HUD Exchange\]](#)



## HCD CDBG Resources

Please see the new resources HCD has added to our website:

- [Chapter 6: Financial Management \(hcd.ca.gov\)](https://hcd.ca.gov)
- [Chapter 10: Reporting and Recordkeeping Requirements \(hcd.ca.gov\)](https://hcd.ca.gov)
- [Chapter 12: Closeout \(hcd.ca.gov\)](https://hcd.ca.gov)

## HCD Office Hours Updates

- If you don't already receive emails from HCD, here are links to get signed up:
  - Stay in touch with HCD (scroll all the way to the bottom and click "Federal Programs": [HCD E-mail Listserv Signup](#))
  - Register for Office Hours:  
[2024 CDBG and CDBG-CV Office Hours - Zoom Registration](#)
  - Due to added resources (GMM, trainings) FAQ, newsletter, we are moving to every other week Office Hours starting with the September 7, 2022, the next office hours is scheduled for February 21<sup>st</sup>, 2024.
  - This will not reduce our availability to respond to grantee needs. We strive to be very responsive to emails, phone calls and individual requests for technical assistance.
  - This will allow staff to put together meaningful programming including:
    - Training
    - Guest speakers
    - Requests for stakeholder input
- [CDBG Program Updates](#)
  - Application closed December 29, 2023, for the over-the-counter (OTC) waitlisted projects
  - We received 7 applications that program staff are currently reviewing.
  - No ETA on award announcement.
- [2023 CDBG NOFA Amendment #1](#)
  - Released on January 31<sup>st</sup>
  - This amendment makes another \$19 million for Housing, Community



Development and Economic Development Projects in an Over-the-Counter process

- 5% of the total CDBG 2023 funds (approximately \$1,500,000) will be set-aside for Colonias as required under Section 916 of the National Affordable Housing Act
- 1.25% of the total CDBG 2023 funds (approximately \$375,000) will be set-aside for Non-federally recognized Tribes as required by HSC 50831.
- The Application opened on March 1, 2024, at **9:00 a.m.**
- \*Please note that once an application is open, HCD is unable to answer application-specific questions for reasons of unfair advantage.
- \*HCD can only assist with technical difficulties associated with submission.

#### ■ CDBG-CV Unclaimed Funds

- CDBG-CV unclaimed funds are now available for **Existing CDBG-CV Grantees** that have **construction** projects that experienced unanticipated cost increases.
- A memorandum was sent out on November 15 with details about qualifications, priorities, and instructions for making an additional funding request. Email sent previously **extending the request date to April 15, 2024.**
- **While the de facto limit is 125% of the original award, consideration will be given for requests that are more than that so please request what you need and document need and cost reasonableness.**
- Contact the [CDBGCVGroup@hcd.ca.gov](mailto:CDBGCVGroup@hcd.ca.gov) inbox if you have any questions.

#### ■ 2024-2025 Draft Annual Action Plan

- Currently available for Public Review and Comment.
  - [2024-2025 Draft Annual Action Plan \(HCD.ca.gov\)](https://www.hcd.ca.gov/2024-2025-Draft-Annual-Action-Plan)
- Listening session: March 6, 2024, from 4:30-6:00 pm
- CDBG Method of Distribution
  - Competitive Distribution:
    - Planning and Public Services
  - Over-The-Counter (OTC) Distribution:
    - Economic Development Programs and Projects



- Housing Programs and Projects
- Non-housing (Infrastructure and Public facilities)
  - Colonias Set Aside (5%)
  - Non-Federally Recognized Tribes Set Aside (1.25%)
- Eligible activities will be limited to the matrix codes as described in the link below:
  - [CDBG Allowed Matrix Codes and National Objective Codes \(HCD.ca.gov\)](https://www.hcd.ca.gov/cdbg-allowed-matrix-codes-and-national-objective-codes)

## Office Hours Q&A Recap – February 7, 2024 Session

**Question:** We are not to upload an Environmental Review Record that was over 50 pages. In the past, I was instructed to submit the entire ERR. The ERR's that I will be submitting will far exceed 50 pages, please advise what portions of the ERR are required to be submitted.

**Answer:** Please provide a complete NEPA review minus the public notices. HCD only needs the environmental assessment. HCD's limit is not a page limit but a file size limit. Please reduce the file size.

**Question:** Could you please clarify when project NEPA documents must be finalized. Should they be finalized by application submission 3/1 or upon award?

**Answer:** At application submission because the requirements for the over-the-counter waitlisted projects is to be shovel ready, which includes NEPA documents. Per our NEPA specialist team, it should be a hundred percent complete when you submit your application so that the NEPA documents can be submitted to our specialists for review and get the approval for the authority to use grant funds process started.

**Question:** What is the difference between the two webinars being provided?

**Answer:** The NOFA Amendment #1 webinar went over the amended 2023 NOFA that HCD released on 1/31/2024 and reviewed updates and changes from the original NOFA released in November. Based on feedback from the last application review, the webinar on February 21 went over some changes that we made to make the application more user-friendly.



**Question:** Did Mamie state that the application template pages that are on eCivis now will not match the application when released March 1st?

**Answer:** Yes, we wanted to put the questions out as a guide on expectations, however they are not the exact questions. We will work on releasing updated questions that match the application and will send out a notification is we are able to do so.

**Question:** What is the grant expenditure date for open CDBG grants? Is it the termination date on the agreement or 30 days before that termination date?

**Answer:** It depends what Standard Agreement you're referencing. Between 2021 and 2022, HCD made changes to the expenditure deadline. There are different deadlines depending on the year of the standard agreement. To confirm, please look at your standard agreement or contact your rep for guidance.

**Question:** Is there any way to get additional funds added to a CV grant that was awarded to a business loan program?

**Answer:** We do not anticipate allocating additional funding to business grants at this time.

**Question:** Please confirm that we can use GA funds from an open grant for CDBG eligible activities such as preparing a CDBG application.

**Answer:** Yes, this is an eligible activity for GA for like-for-like programs – so if you have a CDBG-CV award then you can't use the CDBG-CV GA to apply for an annual program, but you can use annual program GA.

**Question:** Confirming: Per funding cycle: 1 properly noticed design phase public hearing/public meeting. Per each activity/award: 1 properly noticed public hearing before application submittal and 1 at closeout. If there are any major changes to an award, a public hearing should be noticed and held. Any other instances where an item regarding CDBG is on a governing body's agenda, public comment will be received but a 10-day noticed public



hearing is not required. I ask because we already noticed and held a design phase public hearing and received direction from our Council on potential activities for 2023 funding, but plan to return to Council with a regular business item to report out regarding the 2023 funding NOFA Amendment and to seek further direction on potential activities. We will then return to Council again to hold the properly noticed public hearing for public input before Council considers adopting an application resolution. I just want to ensure that our interpretation of the guidelines aligns with yours.

**Answer:** That all sounds like it aligns with the public participation requirements for local government. To clarify, a HUD public hearing, in accordance with the citizen participation plan, is a meeting held for the public that is noticed at least 10 days prior is not the same as a local government hearing like a Brown Act body public hearing. So, staff can notice that they are going to hold a meeting to be held in the evening at a community center and which staff and members of the public are able to attend. It does not have to be a Brown Act body meeting for it to be a HUD public hearing. We will be adding this clarity to chapter 4 of the GMM in future.

**Question:** Can you provide some examples of what technical assistance can be provided under TA for a CDBG ED BA grant?

**Answer:** HCD'S Economic Development chapter published as part of the grants management manual provides a good list of eligible cost for technical assistance. Technical assistance is aiding potential applicants to help them prepare to qualify for a business assistance loan and get them ready for underwriting. Some examples include developing a business plan, prepping for credit improvement, creating hiring plans, workshops, and assistance developing business plans. The best way to think about it is that activity delivery is to get businesses successfully through the application process, but you can't charge it to the business award because of the public benefit standard requirements. Please reference federal register code to the federal regulations 24 CFR 570.203 that further outlines what technical assistance is under special economic development activities.

**Question:** I'm looking for clarity regarding the amendment recently made creating an additional \$19 million in funding? Are we supposed to re-submit projects even if we already previously submitted during the Fall of 2023?



**Answer:** No, the applications that were submitted during the Fall of 2023 were only eligible for previously waitlisted activities and if you applied during that time, it's under review for funding. You do not need to resubmit projects that were previously submitted under this amendment.

**Question:** If the AUGF has already been issued for the NEPA, do we need to upload the entire ERR?

**Answer:** If you already have an AUGF, HCD would like grantees to include the entire ERR. This will save us time going to our environmental specialist team for review. If it is over five years old, it is not valid. Reach out to your Rep if you have project-specific questions.

**Question:** We were waitlisted for the 19/20 NOFA, now the project cost has increased but the waitlisted projects do not qualify for cost increases. Do we submit as new project?

**Answer:** We recommend that if the cost has increased and you weren't able to submit during that period of time of the waitlisted project it would be available for you to submit as a new project.

**Question:** We are considering a project which was previously intended to only use state funds and therefore has not undergone NEPA analysis yet; we can complete a draft NEPA analysis before the NOFA opens on 3/1, but there is not sufficient time to complete the mandatory 30-day response period for cultural and historic resource consultations. Can a project for the OTC NOFA have a substantially complete NEPA document with a timeline for finalizing shortly after the consultation response window has closed? Projects are put in a difficult position with a 1/31 NOFA release and a 3/1 application open period due to the mandatory 30-day consultation period.

**Answer:** Normally, the NEPA analysis is that the mandatory 30-day timeframe is done ahead of time which makes it shovel ready and the NEPA completed. Please take into consideration that the application window is open for 60-days, many projects are ready on day 1 of that period, however we may not get full subscription by day 1, so you will provide updates about when we are fully subscribed. We will get back to you with



further information.

**Question:** For a potential municipal broadband construction application (planning already completed with other funding), the project as a whole would have both a housing and ED nexus. I assume we would need to choose one and track costs to ensure that the CDBG funding used for the project is only used for either residential or commercial properties? It seems like the activity could fit under 03Z, 17B or 17D. Which code do you recommend using?

**Answer:** HCD encourages grantees with an economic development and housing nexus to describe what the nexus is, and you can qualify under both. We would need more information about the project before we can provide guidance on the activity code.

**Question:** The PI Only application is a 2022 application, should we use the 2022 Resolution template, or do we need to use the newer 2024 Resolution template?

**Answer:** For 2022 PI Only applications, please continue to use the 2022 Resolution template. We are working on developing a PI-only application for 2023 which may use an updated resolution template, please contact your HCD representative to get more information.

**Question:** Do you have a time estimate for review and approval for CDBG PI applications?

**Answer:** Please email the CDBG box, we can confirm who is reviewing the PI applications and provide an ETA. If you submit a PI only application, the team doesn't receive notification, so please also send us a message to ensure it gets assigned and reviewed.

**Question:** The 1/31 NOFA timeline for OTC will be open in eCivis in 30 days. But can we submit applications as soon as it is open? Or is there a second 30-day period before applications can be submitted?

**Answer:** The NOFA was released for review on 1/31/2024. On 3/1/2024, the application window opened for 60 days or until the funds are exhausted.





**Question:** Is there a plan to expand the activities that can be applied for under the Colonias Allocation?

**Answer:** There is not a plan to expand the activities that can be applied for under the Colonias allocation. That plan is set in federal regulation and statute, and currently only community development and housing activities are eligible, so we don't have flexibility in terms of what types of applications can be submitted under the Colonias allocation.

**Question:** Our company applied in Fall 2023 for old funding then I guess. Regarding Amendment 1, this is referring to new funding and we need to submit a separate application?

**Answer:** Yes, Amendment 1 refers to new programs. You stated that you company applied, and we just want to clarify that the only eligible applicants for CDBG funds are units of general local government, counties and cities in the state of California that are not members of HUD entitlement jurisdictions, so our rural communities. Perhaps your firm is working with a jurisdiction, but we just want to make sure that you have that clarity; you should be able to go to the NOFA itself to get additional guidance on eligibility.

**Question:** Can you please clarify how we should breakout the budget relative to BA loans and TA? In other words, does the TA expense come out of the activity portion of the grant?

**Answer:** Business assistance and technical assistance loans are not eligible under the 2023 NOFA. They will be eligible to apply under 2024 NOFA. Economic development and housing programs are not eligible under this amended NOFA. Guidance and information related to your question will be provided when HCD releases the 2024 NOFA.

**Question:** Is there an ETA on when the 2024 NOFA will be released?

**Answer:** July 2024