

CDBG Office Hours

Team HCD CDBG

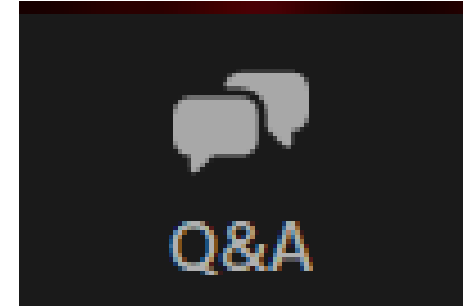
Wednesday, February 22, 2023





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





CDBG Program Updates

2020 CDBG NOFA

- All Executed

2021 CDBG NOFA

- 64 applications submitted and reviewed for threshold
- 46 Recommended for award
- 1 Change Requested
- 1 Pending Final approval.
- 44 Approved

2022 CDBG NOFA

- 64 applications submitted
- Threshold Reviews are completed.
- Disqualified applications letters were sent out via email. The appeal process has ended as of 2/3/2023
- The appeal responses should be going out via email today
- Scoring and Ranking will be the next steps of the application review process. We will not be able to provide any scores until we complete the appeal process for the Disqualified applicants and all the Scoring and ranking has been completed by staff.
- Our goal is to get the 2022 awards out in March 2023



Call for Climate Resiliency Projects to Showcase to HUD!

Do you have a project that you've completed in the last few years, or that is underway that addresses climate change?

HUD would like to hear about it!

Send an email to Felicity.Gasser@hcd.ca.gov with the subject line "CDBG Climate Resiliency Project". In the body of the email include the award number and project name. We will compile a list and may follow up with you for additional information and/or photos.



CDBG-CV Set-Asides

CDBG-CV Tribal Set Aside*

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 - 1 Rescinded by Applicant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

*As of 2/20/2023



CDBG-CV Expenditure Thermometer

\$150,626,712

\$120,501,369

100%

80% June 25, 2023

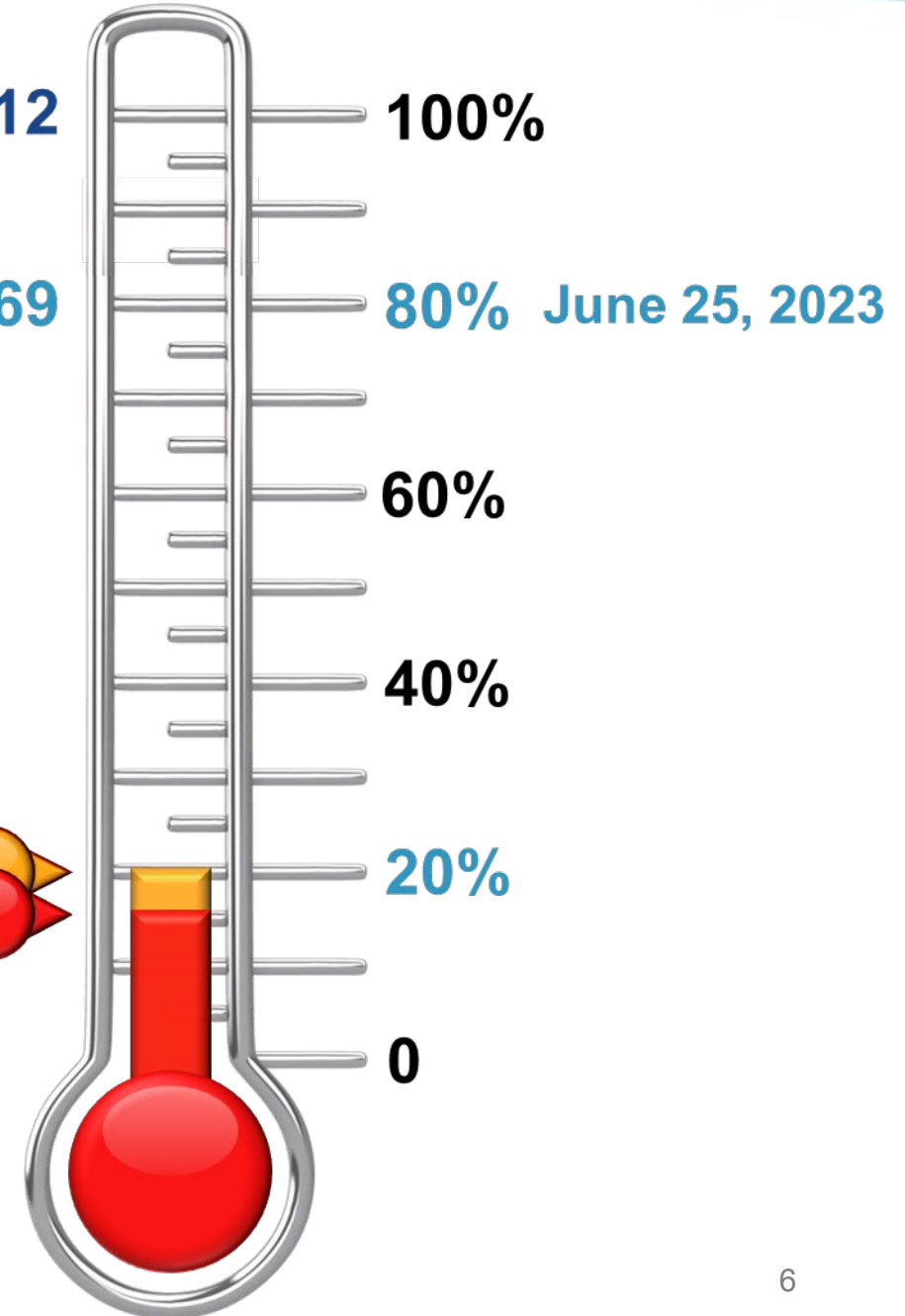
As of 2/16/2023:

🔴 Total Disbursed: \$22,143,301

🟡 Total Pending: \$7,787,343

Funding at Risk: \$90,570,725

Total:
\$29,930,644



Remember:

- Just over 4 months until June 25, 2023
80% Expenditure Deadline for CDBG-CV funds.



Be prepared for the CDBG–CV 80% Expenditure Deadline

- For CDBG–CV2-3 awards – Do not expect extensions. Due to HUD’s 80% expenditure deadline, your award will be rescinded by 80% of the unspent balance when we reach June 25, 2023.
- For CDBG–CV1 awards – all CDBG-CV1 awards have an expenditure deadline of June 25, 2023 or sooner. Any funds unspent by that date will be rescinded.



Be Prepared for the CDBG-CV 80% Expenditure Deadline: Know Your Status

Withdrawal

- **Description:** Program was never started, and/or never requested funds reimbursement
- **Provide:** *CDBG-CV Program Withdrawal Form* and a resolution showing public notice of program withdrawal
- **Follow-up Actions:** As directed by Grant Administrator
- **Impact on 2023 CDBG Annual Program Scoring:** Submit Withdrawal Form before February 28, 2023, to avoid adverse impact to 2023 program score. Resolution to follow as soon as possible.

Closeout With Unused Funds

- **Description:** Program was started and completed but not all funds were expended
- **Provide:** All documentation as noted in *CDBG Management Memo #22-05, Closeout Process*. If funds that will not be used is a known amount at this time and is substantial (50% or more of original award amount), **provide a letter to CA HCD by February 28, 2023, authorizing disencumbrance.**
Follow-up Actions: Consult your Grant Administrator and follow closeout processes listed in memo.
- **Impact on 2023 CDBG Annual Program Scoring:** Submit letter before February 28, 2023, to avoid adverse impact to 2023 program score. Resolution and closeout process to follow as soon as possible.

Closeout

- **Description:** Program was started, completed, and all funds were expended
- **Provide:** All documentation as noted in *CDBG Management Memo #22-05, Closeout Process*
- **Follow-up Actions:** Consult your Grant Administrator and follow closeout processes listed in memo.
- **Deadline:** End of performance period

Siskiyou County Microenterprise Assistance

Quintin Gaddy

Siskiyou Economic Development

Wednesday, February 22nd 2023





Activity Details

- Location: Dunsmuir and Siskiyou County, CA-01
- Activity Type: Microenterprise Assistance: Direct Financial Grants
- Resources:
 - CDBG-CV1: \$632,000
 - Dunsmuir Program income: \$65,000
 - Total: **\$697,000**



Activity Summary

- Need Addressed: funding gap in pandemic relief (summer 2020)
- Experience at **SBDC**: PPP (initially) was not finding its way to clients in most need
- PPP formula on profit vs revenue hurt sole-proprietors/microenterprises

JOURNAL OF ACCOUNTANCY
ADVERTISEMENT

NEWS / MANAGEMENT ACCOUNTING

PPP borrowers can use gross income, SBA rules

By Jeff Draw
March 3, 2021

f t in e

RELATED

February 9, 2023
IRS seeks information on 21 states regarding special payments, refunds

February 1, 2023
Tanner Johnson, CPA, CGMA

January 27, 2023
How corporate boards can forge healthy relationships with managers

TOPICS

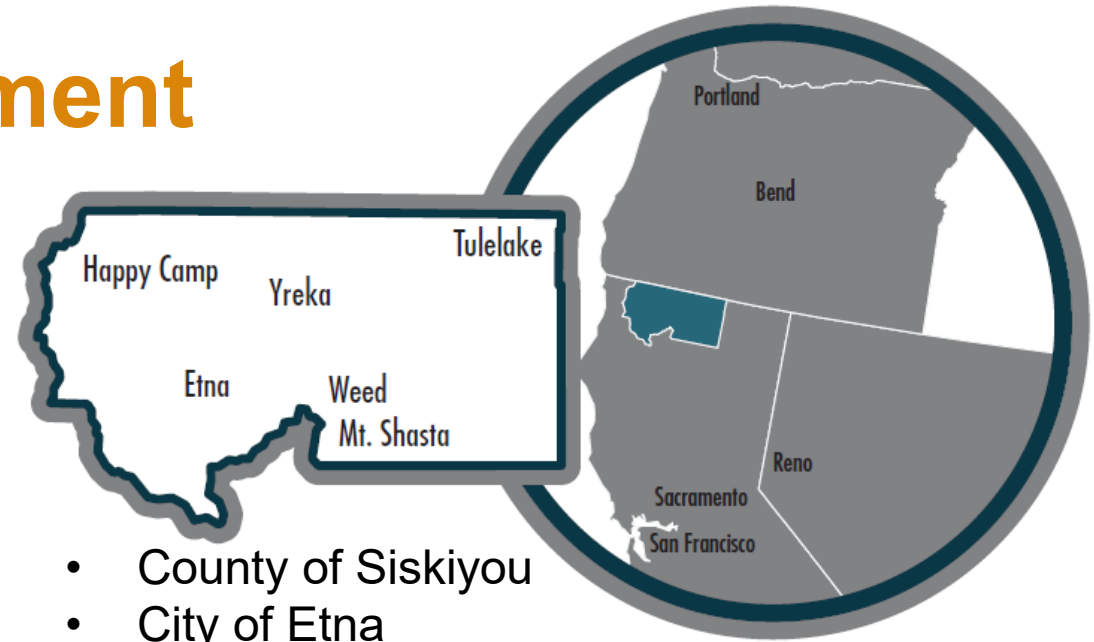
The U.S. Small Business Administration (SBA) issued new Paycheck Protection Program (PPP) rules that allow self-employed individuals who file Form 1040, Schedule C, *Profit or Loss From Business*, to calculate their maximum loan amount using gross income instead of net profit.

The change opens the door for larger loans to self-employed individuals, many of whom don't record much, if any, net profit on their Schedule C.



Partner Engagement

- **Herding Cats:** staff AND Councils
- 9 Participating jurisdictions
- ROI: Economies of scale
- “We need to meet the moment”



- County of Siskiyou
- City of Etna
- Town of Ft Jones
- City of Yreka
- City of Montague
- City of Tulelake
- City of Weed
- City of Mount Shasta
- City of Dunsmuir
- Siskiyou County Economic Development
- Siskiyou Small Business Development Center
- Women’s Business Center at JEDI
- Great Northern Services



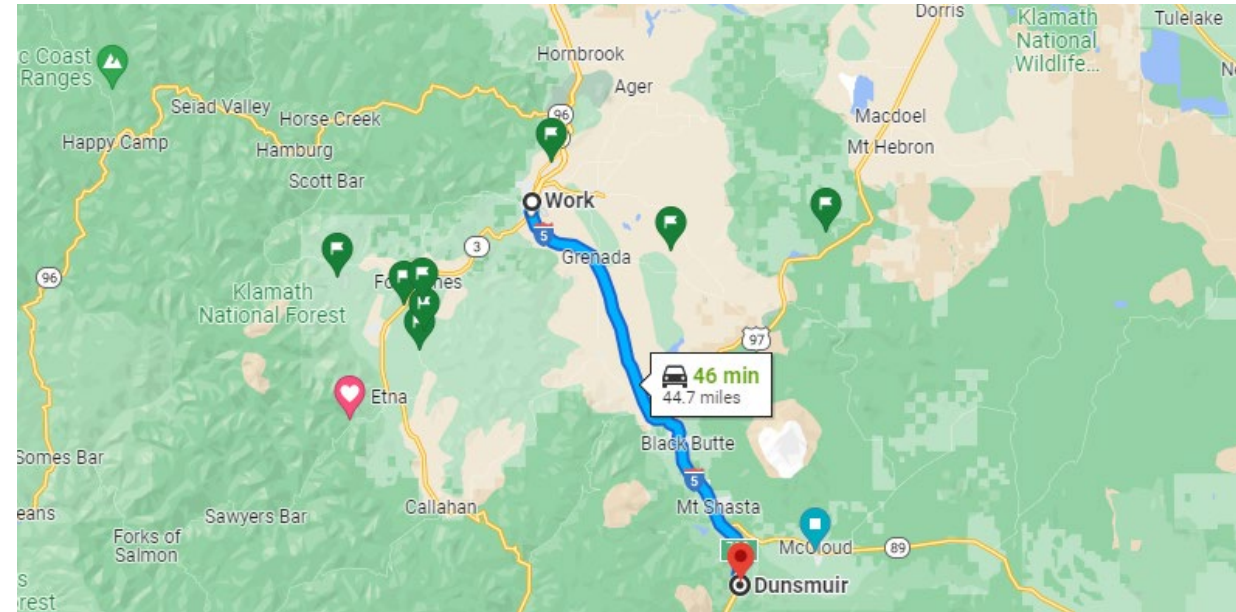
Impact

- 29 Microenterprises assisted
 - 20 women-owned
 - 11 minority-owned (Grantee Percentage vs Siskiyou Population)
 - 5 Hispanic (17% vs 14%)
 - 2 Asian (7% vs 1.7%)
 - 3 Native American (10.3% vs 5%)
 - 2 Black (7% vs 1.5%)
- \$560,497 provided directly to ME's
- 7 out of 29 grantees received no other form of pandemic assistance



Impact (cont'd.)

- For some clients, this was a piece of the capital stack....
-but for others, this was life-saving support
- Made sure to meet clients on **their** terms



“What do you do when someone breaks down in tears on you?”

-Question I asked my boss



Activity Status

- Activity is closed, Activity funds fully accounted for
- Spending down A/D and Admin, closing out all of the grantee files by end of Q1 2023
- What worked? What didn't?
 - The Salesforce fiasco
 - K.I.S.S
 - SAM
- Championing equitable outcomes: actions speak louder than words
- What we would do differently



Thank you!

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- <https://www.siskiyoucounty.org/>
- <https://www.facebook.com/SiskiyouEDC/>
- <https://www.linkedin.com/company/siskiyouedc/mycompany/>



Questions and Answers: Recap from Prior Office Hours





Program Income

Question

We will be receiving loan payments from the CV grants. What is the rule for the program income that will be generated from this? Will it fall under the regular CDBG PI reuse rules?

Answer

PI generated from CDBG-CV grants becomes annual CDBG annual program income. Once your jurisdiction is set up in eCivis, you will report receipts as you receive them by submitting a Financial Report. Please reach out to Felicity Gasser (Felicity.gasser@hcd.ca.gov) with any questions and visit the following link to the CDBG-CV Financial Management Quick Guide (answer to PI question is on page 4): <https://files.hudexchange.info/resources/documents/CDBG-CV-Financial-Management-Quick-Guide.pdf>

From: Office Hours 2/8/23



Grants Management Manual: Chapters 5 & 10

Question

Is there an update on when Chapter 6 and 10 will be available in the CDBG Grants Management Manual?

Answer

Chapter 10 was repurposed as Appendix D on Economic Development. The new chapter 10 is on Reporting and Record Keeping and will be posted soon. Chapter 6 is Financial Management and is currently pending due to the updates regarding Program Income. If you have questions about financial management, please reach out to Felicity Gasser at Felicity.gasser@hcd.ca.gov

From: Office Hours 2/8/23



OTC Waitlist Update

Question

Is there an update on the OTC wait list?

Answer

We are still working through the 2022 awards and the appeal process, so an update regarding the OTC waitlist is forthcoming along with the award notifications (hopefully early March).

From: Office Hours 2/8/23



SBA Loan Forgiveness

Question

Is there any guidance out on loan forgiveness for CDBG-CV Small Business Assistance loans who have met their loan agreement creation/retention of LMI jobs (apart from collecting payroll reports)?

Answer

The CDBG-CV NOFA Appendix H - Program Expectations for Economic Development Activities provides guidance on forgivable loans under "Flexible Financing Loan and Grant Requirements" on page 2 and "Terms of Forgiveness" on page 5. Please review your program policies and guidelines to make sure you are meeting forgiveness requirements.

https://gn.ecivis.com/GO/srmng_downloadSolicitationFileExt/SOLICITATIONFILEID/0vpqyVgZUkY~

From: Office Hours 2/8/23

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

