



DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Division of Federal Financial Assistance

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CDBG Management Memo #22-08

Date: December 19, 2022

To: Community Development Block Grant (CDBG) and CDBG-CV Grantees

Subject: Program Requirement Standardization

Purpose

The purpose of this memo is to revise and modify certain requirements that were included in the following Notice of Funding Availability (NOFA) and other bid documents for the CDBG-CV program:

- CDBG-CV Tranche 1 Notice of Funding Availability
- CDBG-CV Tranche 2/3 Notice of Funding Availability
- CDBG-CV Homekey Invitation to Apply

These modifications to certain requirements of the NOFA documents align the requirements that are set forth in HCD's Grants Management Manual (GMM) and ensure the program is operated in accordance with the requirements established by the U.S. Department of Housing and Urban Development (HUD) through its CDBG-CV Federal Register Notice and other supporting guidance documents issued since the Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted in March 2020.

As a reminder, in instances where HCD inadvertently issues differing guidance, grantees should refer to the guidance provided in the GMM and the program guidance provided by HUD. All edits identified in this memo are retroactive to the start of the CDBG-CV program.

Revised NOFA documents memorializing these changes are attached to this memo.



Summary of Revised Requirements

Low- and Moderate-Income Area National Objective

Revisions to the CDBG-CV Round 1 and Round 2/3 NOFAs to align with the GMM include:

- Grantees must ensure that 51% of households **residents** in the identified area must earn 80% or less of AMI.
- Additionally, the service area must be predominately residential in nature.

Low- and Moderate-Income Jobs National Objective

Revisions to the CDBG-CV Round 1 and Round 2/3 NOFAs to align with the GMM include:

- 51% of jobs must be held **or made available** to low- and moderate-income individuals.
- To meet the public benefit standard for low- and moderate-income job activities, the activity must:
 - Create or retain one full-time equivalent job for every \$85,000 spent (including activity delivery), OR
 - Document that the assistance is addressing a business disruption due to COVID-19

Federal Debarment Requirements

Entities are encouraged to review Tool 5-12 to understand whether obtaining a Unique Entity Identifier (UEI), registering in the federal System for Award Management, and/or completing debarment verifications are required prior to entering into an agreement.

Eligible Activities

Through the course of the implementation of the CDBG-CV program, grantees have identified a range of needs generated by the COVID-19 pandemic, resulting in modifications to applications and grant agreements to respond to these needs that did not always align with all elements of the NOFA. To allow for maximum flexibility to grantees, HCD consistently consulted with grantees to identify needs and eligible activities so long as they met the requirements of the Housing and Community Development Act, as amended and the CDBG-CV Federal Register Notice (FR-6218-N-01) and subsequent HUD guidance. HCD is amending its NOFA documents to align



with this flexibility. As such, grantees, with HCD's approval, may pursue any activity that meets the requirements of the CDBG-CV program beginning January 21, 2020.

Effective Date

This memo is effective as of December 19, 2022. This Management Memo applies only to CDBG-CV awards made under the NOFAs noted in this memo.

Questions

If you have general process questions, please contact your HCD Representative or Grant Administrator. If you have specific questions about the information in this Management Memo Addendum, or any other questions regarding the CDBG Program, please contact Felicity Gasser at felicity.gasser@hcd.ca.gov or 916-820-1187.