Community Development Block Grant Office Hours

HCD's CDBG Team

Wednesday, April 17, 2024

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
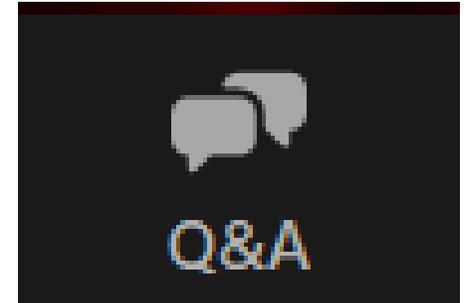
Request for Project Photos

- CDBG 50th Anniversary
- Please send pictures of completed projects to Michael.Phillips@hcd.ca.gov and CC: the CDBG@hcd.ca.gov inbox
- If you would like to share more on your project during an upcoming office hours session, please contact Michael.Phillips@hcd.ca.gov

CDBG Program Updates

2023 CDBG NOFA

- Application closed December 29, 2023, for the Over-the-counter (OTC) waitlisted projects
- We received 7 applications
- We conditionally awarded 6 applications

2023 CDBG NOFA Amendment #1

- Application closed March 15, 2024, for new projects when funds were exhausted
- We received 12 applications
- Staff notified applicants of status on March 21, 2024

2023-2024 Annual Action Plan/NOFA Substantial Amendment

- Public Review of the Amendment is available until May 8, 2024
    - [State of California 2020-2024 Federal Consolidated Plan: 2023-2024 Annual Action Plan Second Amendment - Substantial](#)
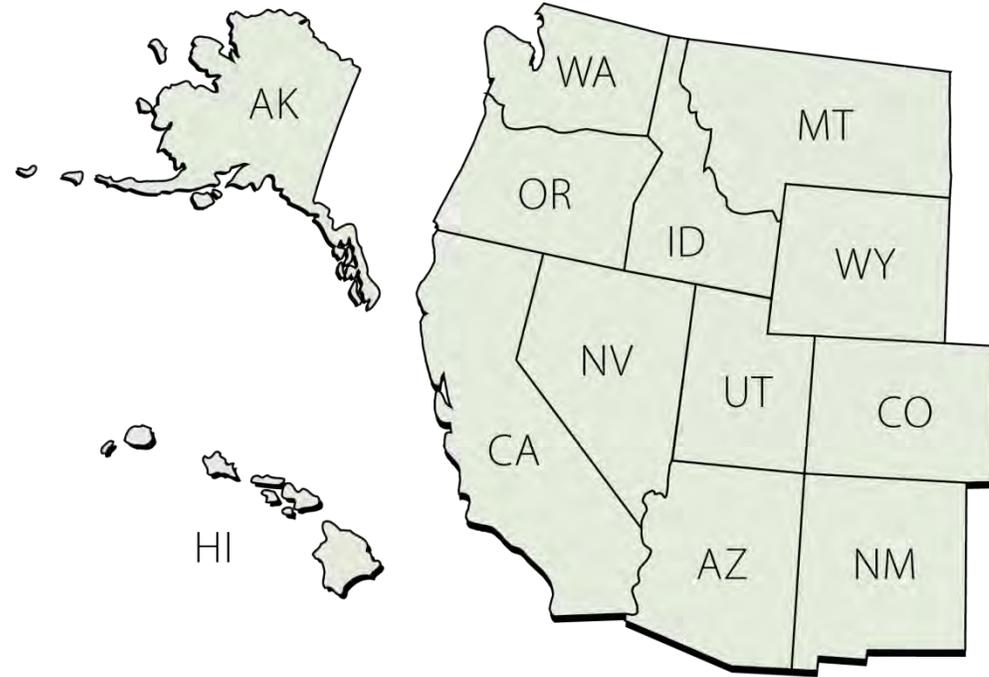
Providing services to rural communities since 1978

Jennifer Hazard, Assistant Director
Community & Environmental Services

RCAC Service area

- Environmental, housing and financing services in the 13 western states and the Pacific Islands

Rural Community Assistance Partnership, Inc.

Western
Rural Community Assistance Corporation
916/447-2854
www.rcac.org

Midwest
Midwest Assistance Program
952/758-4334
www.map-inc.org

Southern
Communities Unlimited
479/443-2700
www.crg.org

Northeast
RCAP Solutions
800/488-1969
www.rcapsolutions.org

Great Lakes
WSOS Community Action Commission
800/775-9767
www.glrcap.org

Southeast
Southeast Rural Community Assistance Project
866/928-3731
www.southeastrcap.org

800/321-7227
www.rcap.org

Building communities

- RCAC leadership training for board members

On Site Training

- RCAC technical assistance in the field

www.rcac.org

Classroom and online education

- RCAC expands the knowledge base of the rural public through free education and training

Housing services

- RCAC affordable housing assistance
- Tribal Housing Excellence Academy (THE Academy), housing and development assistance on tribal lands
- Development Solutions, real estate development that support nonprofit organizations

RCAC
www.rcac.org

Financing assistance

- RCAC housing, environmental infrastructure, community facilities, and small business financing

Environmental services

Drinking water, wastewater and solid waste technical assistance (Request Assistance)

State Water Board Programs

- Drinking Water for Schools
- Bottled Water for Schools
- Generators
- Septic to Sewer
- Safe and Affordable Funding for Equity and Resilience

RCAC
www.rcac.org

SAFER

The SAFER Program provides assistance with interim drinking water supplies, emergency repairs, technical assistance, administrators, planning, operations and maintenance and construction projects via various funding sources. The Program is informed by the Safe and Affordable Drinking Water Fund's Policy and the Annual Fund Expenditure Plan.

SAFER Projects

- **Planning and construction applications**
- **Feasibility Studies**
- **Community Outreach**
- **MHI Studies**
- **Rate Studies**
- **Legal Services**
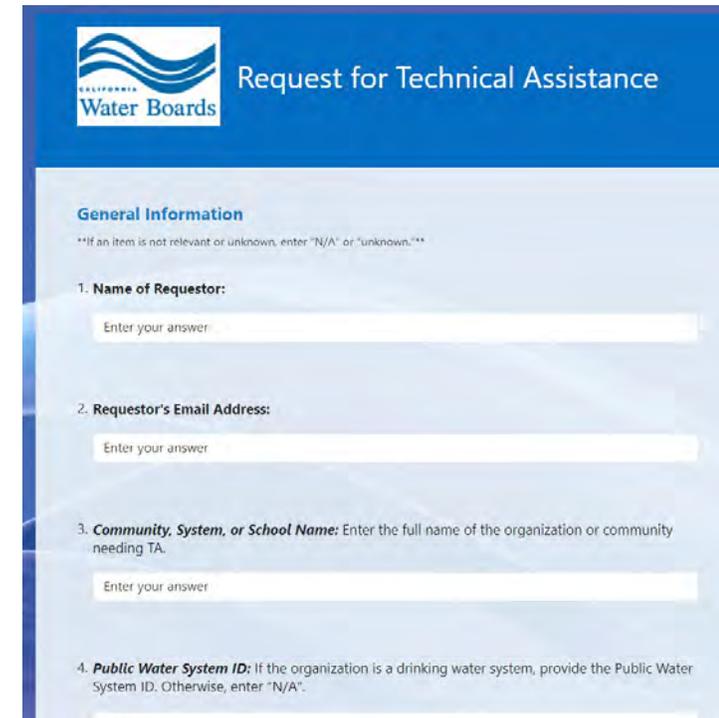- **CEQA**
- **Engineering**
- **Capacity Building**

State Water Resources Control Board Division of Financial Assistance

[Link to TA Request Form](#)

Priority Projects:

✓ Systems that are out of compliance or experiencing insufficient water delivery capabilities; Extension of service for drought/contamination impacted communities

✓ Consolidation projects

✓ Systems serving less than 200 connections

✓ Applicants with relatively small projects that will enable complete funding applications to move forward
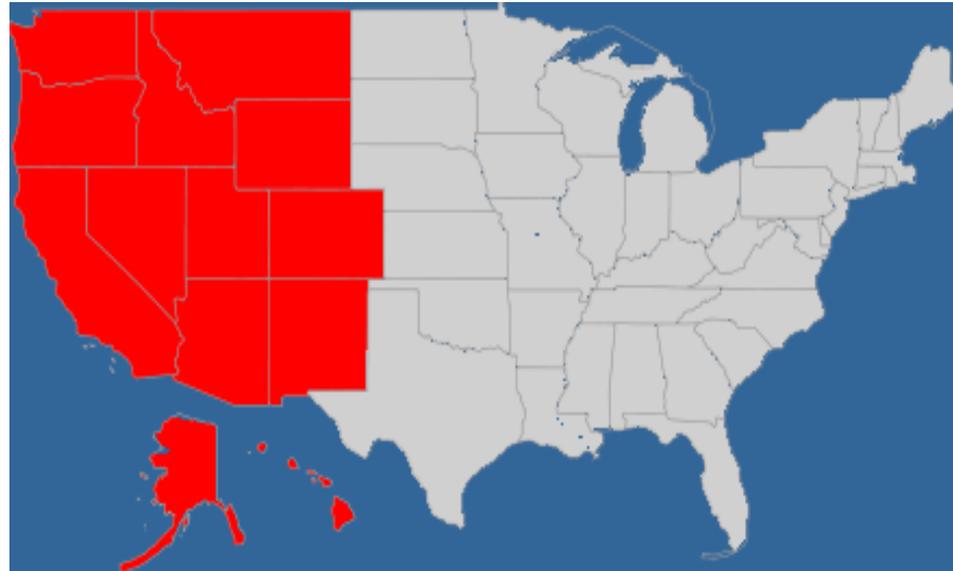
LOAN FUND

MISSION:

Rural Community Assistance Corporation (RCAC) provides training, technical and financial resources and advocacy so rural communities can achieve their goals and visions.

RCAC's13 Western State Service Area

- Alaska
- Arizona
- California
- Colorado
- Hawaii
- Idaho
- Montana
- Oregon
- Nevada
- New Mexico
- Utah
- Washington
- Wyoming

RCAC
www.rcac.org

RCAC Loan Fund

❖ Established in 1988

❖ Designated CDFI 1996

❖ Capitalized at $153.9 million in hand

❖ Undrawn Lines of Credit/Grants/Loans $57.4

❖ Financial resource for rural community development projects not to exceed a 50,000 population

Loan Fund Program Areas

- Small Business
- Environmental Infrastructure – Water, Wastewater, Solid Waste Systems
- Affordable Housing - Single Family & Multi-Family
- Community Facilities
- Loan Participations
- RELieF Loans

RCAC
www.rcac.org

RCAC — Rural Community Assistance Corporation
LOAN FUND PROGRAMS
www.rcac.org

To talk to a loan officer in your area, call 1-855-979-7322
Or learn more at our website: www.rcac.org

Loan Program	Purpose	Eligibility	Term	Loan Limit	Int Rate	Fees	Collateral	Other
Affordable Housing	• Predevelopment • Site Development • Construction	• Nonprofits • Public Body • Tribes	Up to 3 yrs.	$3.0 M	5.5%	• 1% Loan Fee* • $300 doc fee	• Generally 1st lien on real estate	Unit construction requires homes to be pre-sold
Environmental Infrastructure Short Term	• Feasibility • Predevelopment • Construction	• Nonprofits • Public Body • Tribes	Up to 3 yrs.	Varies by purpose	5.5%	• 1% Loan Fee*	• Varies by purpose	Except for feasibility requires take-out in place
Environmental Infrastructure Intermediate Term	• Smaller capital improvement projects	• Nonprofits • Public Body • Tribes	Up to 20 yrs.	$100,000	5%	• 1% Loan Fee*	• Generally Assignment of revenues	
Environmental Infrastructure Long Term	• Large capital improvement projects	• Nonprofits • Public Body • Tribes	Up to 30 yrs.	$6.0 M	Varies by term	• 1% Loan Fee* • 1% guarantee Fee	• Real Estate Bonds • Assignment of revenue	Requires USDA WWD Loan Guarantee
Community Facilities	• Construction • Acquisition • Rehabilitation	• Nonprofits • Public Body • Tribes	Up to 30 yrs.	$6.0 M	Varies by term	• 1% Loan Fee* • 1.5% guarantee Fee • $300 doc fee	• Real Estate • Equipment	Requires USDA CF Loan Guarantee
Community Facilities Re-Lending	• Construction • Acquisition • Rehabilitation	• Nonprofits • Public Body • Tribes	Up to 30 yrs.	$6.0 M	5% with a possible 1% write down for first 3 yrs.	• 1% Loan Fee* • $300 doc fee	• Real Estate • Equipment	Requires USDA approval
Small Business Short Term/ Intermediate Term	• Working Capital • Lines of Credit	• For profit businesses • Nonprofits • Tribal	Up to 5 yrs.	$250K w/o guarantee	Based on credit quality of applicant	• 1% Loan Fee • $300 doc fee	• Business Assets • Equipment • Inventory	Loan of $250K or greater require federal or state guarante
Small Business Long Term	• Real Estate • Equipment	• For profit businesses • Nonprofits • Tribal	Up to 30 yrs.	$6.0 M	Based on credit quality of applicant	• 1% Loan Fee • 1% - 3% USDA guarantee fee	• Real Estate • Equipment	Requires USDA B&I or BIA loan Guarantee
Individual water well and septic systems	• Repair or replace systems	• Individual property owners	Up to 20 yrs.	Water wells & Septic systems: $30K, $45K in CA	1 %	• $100—$500	• Real Estate lien	Grants possible for water wells and septic systems
Polanco Park Program	• Renovation of existing Polanco Parks	• Individual Park Owners	Determined based on need	Based on need	TBD	• 1.125%*	• Real Estate Lien	Polanco Parks in Riverside Co., CA
RELIeF Loan Program	• Relief from effects of COVID	• For-Profit businesses • Nonprofits • Tribal	Up to 5 years	$25, 000	3%	• $250	• Not required	Possible partial or full forgiveness

Chart reflects general program parameters, loans can be tailored to fit particular applicant needs. RCAC serves rural communities (50,000 or less population) in AZ, NM, CA, ID, WA, UT, NV, HI, WY, MT, OR, CO, and AK.
Areas served may be further restricted by use of certain guarantee programs. Loan program applications are available at www.rcac.org. For further information see contacts on reverse side.
* 1.125% Loan fee for construction loans

Revised 11-17-2023

RCAC
www.rcac.org

LOAN FUND DEPARTMENT CONTACT INFORMATION

Corporate Office		Rural Community Assistance Corporation (RCAC)
Receptionist	916/447-2854	3120 Freeboard Drive, Suite 201
Dial by extension	916/447-9832	West Sacramento, CA 95691
Loan Fund Fax	916/447-2802	www.rcac.org

Employee Name	Support Function(s)	Email	Phone Number(s)
Juanita Hallstrom	Loan Fund Director	Jhallstrom@rcac.org	916/320-9805 cell
Robert Longman	Loan Production & Credit Manager	rlongman@rcac.org	916/548-5648 cell
Michael Archer	Assistant Loan Production & Credit Manager	marcher@rcac.org	406/465-2327 cell
Susan Rowan	Commercial Loan Closing Manager	srowan@rcac.org	707/430-3537 cell
Dave Broetzmann	Loan Servicing Manager	dbroetzmann@rcac.org	916/995-0873 cell
Loan Administration			
Allisa Carr	Loan Servicing Specialist Loan Draw Request, Modification Agreements, Payoff Demands, Partial Payments, PPP and Relief Forgiveness, Financial Statements.	acarr@rcac.org	916/208-2154 cell
Andrea Parker	Accountant Analysist LF General Ledger, Investor Payments, Portfolio Maintenance.	aparker@rcac.org	209/401-4321 cell
Caralyn Roberts	Loan Closing Specialist Loan Origination to Closing.	croberts@rcac.org	916/200/6094 cell
Deborah Garcia	Loan Closing Specialist Loan Origination to Closing	dgarcia@rcac.org	916/995-5701 cell
Diane Tang	Loan Servicing Specialist Loan Draw Request, Modification Agreements, Payoff Demands, Partial Payments.	ddtang@rcac.org	916/995-9316 cell
Donald Krueger	Loan Servicing Specialist	dkrueger@rcac.org	209/332-7962 cell

Eva Torres	Senior Loan Closing Specialist Loan Origination to Closing	etorres@rcac.org	707/755-0680 cell
Sivisay Chanthavong	Loan Closing Specialist Loan Origination to Closing	schanthavong@rcac.org	916/809-0251 cell
Stacey Karpenske	Investor Relations & Reporting Specialist Investor Reporting, set up investors, manage investor quarerly and annual reports	skarpenske@rcac.org	916/926-9330 cell
Tammy Carlson	Executive Assistant Loan Committee packets, meeting & minutes; Board of Director packets, meeting & minutes, Pipeline Reports, Departmental Support,	tcarlson@rcac.org	279/224-1842 cell
Windell Tucker	Loan Servicing Specialist Loan Draw Request, Modification Agreements, Payoff Demands, Partial Payments, Insurance Monitoring.	wtucker@rcac.org	916/208-1645 cell
Loan Officers			
Barbara Roesner	Central & Southern California, HI	broesner@rcac.org	510/846-2364 cell
Cody Brunker	Northern California, AK	cbrunker@rcac.org	559-545-1400 cell
Georgianne McConnell	AZ, NM, NV, UT	gmcconnell@rcac.org	916/917-4319 cell
Jessica Scott	CO, ID, MT, OR, WA, WY	jscott@rcac.org	719/458-5460 cell
Helen Kibby	Individual Water Well and Septic System Programs – Serves in RCAC 13 State Footprint, and Other Core Lending Programs	hkibby@rcac.org	916-809-0595 cell
Karen Lor	Individual Water Well and Septic System Programs – Serves in RCAC 13 State Footprint, and Other Core Lending Programs	klor@rcac.org	209/919-0559 cell
Yeng Lao	Individual Water Well and Septic System Programs – Serves in RCAC 13 State Footprint, and Other Core Lending Programs	ylao@rcac.org	916/500-1260 cell

Loan Fund Policies

<u>Introduction</u>

Loan Fund credit policies and guidelines are contained in three basic documents: 1) The current Loan Fund Policies, 2) Loan Fund Underwriting Guidelines, and 3) <u>RCAC Underwriting Guidelines for Business Loans.</u>

The Loan Fund Policies describe the Loan Fund programs, specific loan products, security. requirements, loan maximums, applicant eligibility requirements, loan rates and terms, geographic service area requirements, income requirements of the ultimate recipients and other Loan Fund parameters.

The Loan Fund Underwriting Guidelines describe several underwriting topics is a glossary type format applicable to all loan products. Financial ratio standards, debt service coverage requirements and definitions of many Loan Fund related items/functions are found in these Guidelines. The RCAC Underwriting Guidelines for Business Loans supplement the Loan Fund Underwriting Guidelines and provide specific underwriting guidelines for the Business Loan Program.

Loan Officers must be intimately familiar with these documents in order to effectively administer the various RCAC Loan Programs and effectively underwrite for various loan products. Reference to these documents is critical to loan making and servicing. Every loan situation is unique and good judgment must be applied to individual situations. RCAC's philosophy is to tailor loans to fit the applicant's need; however, good underwriting requires a thorough analysis of the feasibility of the request vs. the risk to RCAC. While RCAC will take moderate risk to meet the mission, undue risk is not acceptable.

Questions?

Useful Links

➢ RCAC website: *RCAC.org*

➢ State Waterboards website: *Waterboards.ca.gov*

➢ Division of Financial Assistance: *waterboards.ca.gov/water_issues/programs/grants_loans/*

➢ SAFER Funding Website: *waterboards.ca.gov/safer/*

➢ Technical Assistance Program: *waterboards.ca.gov/water_issues/programs/grants_loans/tech_asst_funding.html*

RCAC
www.rcac.org

Questions and Answers:
Recap from Prior Office Hours

2024 Application – GA CENST

Question

Do we submit one CENST for General Admin (GA) for all grant applications or one for each application?

Answer

At a minimum, we would need one CENST for GA per jurisdiction. You can use one GA CENST for multiple applications for the same jurisdiction.

From: Office Hours 4/03/24

2024 Application – GA CENST Follow-up

Question

Wouldn't the GA CENST need to be done separately in case some applications get awarded and others don't?

Answer

If doing one GA CENST is simpler, Grantees could proceed that way. However, if a jurisdiction does one GA CENST for multiple applications where one or more are not funded, the GA CENST is still valid since it covers the portion of the grant(s) that were awarded funds. You can use a 'not to exceed' amount that covers all of your applications. Grantees should upload their combined GA CENST to each application that they submit.

From: Office Hours 4/03/24

Unclaimed Funds Amendments

Question

For unclaimed funds requests - are we able to make draw requests or will this impact the amendment process? How long do you believe it will take for amendment approval and authority to expend funds?

Answer

The review and approval of the unclaimed funds request will occur via e-mail to avoid conflicts with submitting financial reports. When the request has been approved, HCD will create a Grantor-initiated amendment during which Grantees will be unable to submit financial reports. We are estimating the timeline for approval for these amendments to be 4-6 weeks.

From: Office Hours 4/03/24

2024 Funding Limits

Question

What is the total grant funding limit per jurisdiction? What are the PTA and OTC funding limits?

Answer

- Total applications (Competitive and OTC) submitted shall not exceed three (3) per jurisdiction.
- Total competitive applications shall not exceed two (2) per jurisdiction.
- Funding limits are updated as follows:
  - Total grant award for all activities combined per jurisdiction shall not exceed $3.6 million
  - Competitive (Planning and Public service) application limit shall not exceed $300,000
  - OTC Project application limit shall not exceed $3.3 million
  - OTC Program application limit shall not exceed $1.5 million

From: Office Hours 4/03/24

2024 Consultant Procurement Timing

Question

If we are considering coming in for a Housing Program including Rehabilitation and Code Enforcement under the 2024 NOFA, do we need to complete procurement for a consultant before application submittal or can we provide a draft RFP and draft contract with procurement to be completed upon award?

Answer

During application, please provide your draft RFP and draft contract. Procurement of the consultants can be done after award.

From: Office Hours 4/03/24

PI Expenditure Reporting

Question

When reporting PI expenditures in connection with an open grant, once approved by the rep, will this expenditure also have to be reported in the PI Reconciliation Award or is the "draw" from the grant sufficient?

Answer

PI Expenditures that are part of an open CDBG grant do not need to be reported in the PI Reconciliation award.

From: Office Hours 4/03/24

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