

NOFA and Application Questions & Answers

Compiled from the CDBG 2012 NOFA Training Workshops and Webinars

January 16 – February 9, 2012

KNOWN ISSUES WITH THE NOFA, FORMS AND/OR APPENDICIES:

- Summary Application:
 - Table of Contents Have Housing Element in compliance by due date of application NOT by March 31st.
 - Page 8: Resolution information “by designee by name and title” is incorrect should just be Title only.
 - Page 17: The “No” answer has a typo. It states 2006-2009, but should be 2009-2010
 - Housing Rehab Application has some dropdown menus that are not working properly. The workaround is to print it and fill it out by hand.
 - Appendix I: Language states “51% presumed” on Seniors/Limited Clientele. Incorrect, Limited Clientele is 100%.
 - Appendix U: Enterprise Fund Scoring Sheet in Readiness - Program Operator points are listed incorrectly as a possible 250. Only 200 points are available for Program Operator.
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REGULATION CHANGES

Eligibility

- 50% Rule

Will PTA Grants be subject to the 50% Rule?

Yes. Everything other than the ED OTC will apply to 50% Rule, and will be based on full contract amount. However, the PTA-Only NOFA released in 2011 and awarded in 2012 will not apply, only contracts awarded under the full 2012 CDBG (Super) NOFA and future NOFAs will be subject to the 50% Rule.

What about all the active contracts that are now with the jurisdictions?

The 50% Rule will not apply to anything older than contracts signed in 2012.

What about contract length and the 50% rule?

Contract length does not apply. Contract Expenditure Deadline does apply. The new CDBG Contract will be 60 Months in length but the Expenditure Deadline will be 36 months. The 50% Rule applies to all Contracts executed in 2012 under the 2012 CDBG (Super)NOFA and beyond, that have not passed their Expenditure Deadline at the time of the NOFA due date.

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Does the 50% Rule affect the milestones that have always been in CDBG contracts?

Yes, it replaces the milestones. Milestones will no longer be in CDBG contracts except for the 50% Rule.

If one activity is holding everything up, is there a way that you can unwind that activity so you can proceed with applying for other activities?

No, all activities must be aggregated. And, the original award amount will be used as the amount that must be 50% expended.

Will the 50% Rule ever apply to OTC contracts?

No, it does not and will not apply to any OTC contract regardless of when the contract was/is signed. The 50% Rule is now a Regulation. To change this, or any other part of the 50% Rule, the Department would have to go through a Regulation Change process.

Does DRI apply to 50% Rule?

No, it only applies to who got awarded in 2012 under the 2012 CDBG NOFA and after. It will not apply to future DRI Awards since the Regulation only address the CDBG HUD Allocation.

What about Enterprise Fund verses Community Development activities in relation to the 50% Rule?

The 50% Rule will apply to all funds and all activities in your 2012 Award/Contract. As a reminder the 50% Rule is not in effect for applications under this NOFA.

My PTA has a 2012 date, is that included in the 50% Rule?

No, it's only for this NOFA and going forward.

New Scoring

- **Activity Based Scoring**

What does Capacity mean?

It is a combination of jurisdictional points for your ability to perform the work as well as your points for past performance.

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State Objectives

No 100 points for State Objectives?

Correct, normally the total possible score would be 1000. This year total possible points are 900. Next year we will discuss with the advisory group what will be included in State Objective points. We will also add in Capacity Building points for those who applied this year and were eligible, but did not score high enough to get any activity funded.

PTA

- **Cash Match**

Can Program Income Admin be used of Cash Match?

No. The intent of the legislation for Cash Match is for the PTA grantees to have 'skin in the game' so the funds need to be local funds.

Is the Cash Match amount 5% of PTA amount or 5% of annual sales tax?

It is 5% of the amount you apply for.

Can a local agency, rather than the applicant, provide the Cash March for the jurisdictions?

Yes, however, the jurisdiction must make the Cash Match commitment. This means the Jurisdiction's Board Resolution must commit to Cash Matching the PTA. The jurisdiction will need to get written assurances that the agency match is real and will be expended prior to the Department's PTA awarded funds.

What's New In 2012?

- **One Award/One Contract**

Are the Colonia funds included in the \$2m application maximum?

No, the Colonia funds can be in addition to maximum application maximum of \$2m. However, because it is inside the one contract, the 50% Rule DOES apply to the Colonia funds.

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Will the ED OTC be in the same contract as all the other activities so that we have one award and one contract each cycle?

No, ED OTC is totally separate. It will have its own contract and own award in addition to the award and contract resulting from the NOFA Round with applications due each April.

Can you incur activity delivery or activity costs prior to special conditions being cleared?

No, you have to clear special conditions on that activity before incurring costs on an activity. You can spend GA prior to special conditions ***as long as you request in writing and receive Department approval in writing***. General Admin is not tied to activities, its purpose is to manage the contract and the jurisdictions overall programs.

- **Terminology**

Why did you change TIG to Low/Mod Benefit?

The Department will stop use TIG mainly because HUD uses “Low/Mod Benefit” as their term, not TIG. In fact only California uses TIG. It is important to note, however, that HUD’s Low/Mod for CDBG is 80% of AMI.

Is Low-Mod based on Census Tract information?

It can be based on HUD census data or an Income Survey if you believe that HUD’s data is incorrect.

Will our guidelines be scored for readiness?

No, they will not be scored but they will be part of special conditions. It would be good, however, to update your guidelines, especially if you currently do not address the new rules related to 1-4 units verses 5 and more units.

<p>Note: 5 or more housing units is considered a Project and cannot be a part of your Program Guidelines (limited to 1-4 units) or the Program Income Housing RLA. Therefore, projects will require prior approval by the Department, either via the NOFA or a Program Income Waiver.</p>
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- **Threshold**

How do we know what the date is for the Housing Element?

Typically they are due every 5 years, but if you are not sure, call Paul McDougal in HPD at HCD to confirm that you are on track. His contact information was included within the NOFA.

Does the A133 have to be cleared or just submitted?

Submitted. The eligibility criterion is “compliance” with the **submission requirements** of your yearly A-133. There are point deductions related to audit findings but they only affect application scoring when the jurisdiction is uncooperative with the clearance process.

Is the State Controller’s Office (SCO) the only place that you will check?

Yes. A-133 must be sent to the Federal Clearing House **and** SCO but the Department determines eligibility based on submission to SCO.

NOTE: 2000 Census data is not being used in this NOFA, 2010 data is being used.

And the Low/Mod numbers are HUD, not census. All the data is in Appendix A and Appendix P

Are you scoring Match/Leverage this year?

Match only applies to PTA and there are no points for leverage any longer. We only ask leverage data in the application so the Department can provide required data to HUD.

- **Activity and Allocation Limits**

How will each activity be scored?

All housing programs will be scored against all other housing programs, and the same is true for housing projects. If you have applied for a combo, then we will average your two scores for project and program. For example out of a possible 900 points:

Housing Rehabilitation score - 750

Housing Acquisition score - 700

Multi-Family Rehab Project score - 650

The applicant’s total score would be 700 ($750 + 700 + 650 = 2,100 / 3 = 700$).

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If you applied for Enterprise Fund/Business Assistance for \$300k and Micro-Enterprise for \$200k as a combo, can I win funding for either or both?

No, either you get the entire combo funding or none of it. This rule would also apply, for example, to Housing Combo and to Public Services.

- **New Activity Limits**

Is the Set Aside still 10%?

No, it is no longer a percentage amount; it is simply any amount up to \$100k.

If applying for scored activity, can a PTA be applied for as well?

Yes. You can apply for a scored activity and either a PTA (up to two) or a Set Aside. Or you can apply for a standalone PTA.

Is there priority for a PTA applied for as a standalone vs. applied for along with other activities?

No, both will be funded based on percentage of demand and funded down the list until the funds are exhausted, and the tiebreaker of Poverty will be applied in the event that the demand will be greater than the amount of funds available.

- **PTA**

Does project specific/non-project specific apply?

No. These distinctions were removed from this year's NOFA.

Are PTAs rated and ranked?

No. State statute only allows a tie breaker process (Poverty percentage).

Can we roll money from one activity to another?

The contract language that limited movement of funds to 10% between activities has been removed. So it is possible to move unused activity funds to another funded activity in the same contract. However, there will be some limits:

Funds cannot be moved from a CD activity to an ED activity, or vice versa.

No new activities will be added to a contract. Thus, what the jurisdiction was awarded will be the limit on activities that funds could be rolled to.

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However, if you have Combo activities (e.g.: Business Assistance and Micro-Enterprise Assistance) you will be able to ask for a simple budget change to move funds between the combo activities (no contract amendment) and approval will most likely be given, if requested in writing.

- **Individual Activity Allocations**

Can I move funds from my housing award to my Infrastructure award?

That will be taken by the Department on a case by case basis. It will depend on many factors including whether or not you applied for the max in your infrastructure? If you did, there is no room to add more funds.

- **ED Over-The-Counter (ED OTC)**

The whole ED OTC process starts with an inquiry?

Yes, it's on the State's website. The Department wishes to track ED OCT earlier in the process instead of waiting until the pre-application point. This mean the Department has added an "Inquiry" form on the NOFA webpage for jurisdictions that have a "potential" project for funding.

- **Enterprise Fund**

If a grantee needs to move funds between Micro-Enterprise and Business Assistance is there a minimum you need to spend in either Micro or BA?

No, you just have to have been funded in both activities to be able to move money between them. The request needs to be in writing and the approval from the Department will be in writing.

- **PTA**

If you are doing a Stand –Alone PTA is General Admin (7.5%) out of the \$100k?

Yes.

Can you do one study for \$100k?

Yes, if it meets the cost reasonableness test.

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- **New Method of Scoring**

A Housing Rehab activity that is county-wide is scored on jurisdiction-wide benefit?

Yes. All program activities that do not have a service area to meet the National Object will be scored based on the jurisdiction's scores, not based on a smaller area of the jurisdiction. Applicants will no longer be able to "carve out" a better score.

Service Areas: if I don't have 51% L/M Area Benefit, my jurisdiction is not eligible?

Yes and no. Your jurisdiction would not be eligible for any activity that is tied to the L/M Area Benefit. But, you can still apply for activities that are 100% Low/Mod Individual (activities that require income qualification or carry presumed benefit).

ELIGIBLE APPLICANTS AND AREAS

Native American

What size of service area map is acceptable?

Don't make it two houses. The map needs to be reasonable in that it's a neighborhood. You draw the map and justify the map.

What if many of the tribe members have disbursed?

That scenario is common, and may result in some areas not being eligible.

Colonia

What if Colonia has sewer but needs improvements?

Unless there is documentation that says your sewer is done, then it is still eligible.

Is the application maximum of \$1.5m for Colonia per jurisdiction or per Colonia?

Per Colonia.

THRESHOLD REQUIREMENTS

Can threshold requirements be discussed after application is submitted?

Yes, but the eligibility requirement must be met prior to April 6th at 5:00pm.

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If we apply for three (3) activities, only one Summary Application is required?

Correct. You only submit one Summary Application.

How far back will the Department be looking for previous contracts and performance?

Two (2) years.

Can the resolution state that we may be doing more activities than we actually apply for?

Yes, it just can't state fewer activities or amounts than you actually apply for.

- **A-133**

Is the \$500,000 maximum for A-133 a CDBG or Federal rule?

Federal

What if we are exempt from having to file an A-133?

A jurisdiction must finish its annual books to determine that they didn't spend 500k and send a letter to SCO stating this.

If our Jurisdiction hasn't spent that amount we don't have to send in an A-133?

If your activity(s) don't trigger A-133, then you MUST file an exempt form with the Federal Clearing House and the State Controller's Office.

What single audit is the Department looking to for eligibility?

The most recent one due at the end of March in the current year; thus, a jurisdiction will always have 9 months to get the single audit in.

- **Citizen Participation**

Does a new citizen participation meeting need to be held if the activities the jurisdiction is applying for haven't changed other than the amount?

No, you just need to make sure that all the activities are listed.

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In the second participation meeting, can we generalize that we are doing CD and ED or do we need to be specific?

In the first meeting you will decide what the list of activities is, then in the second meeting you will go to the board and say we want to do X, Y and Z. The board may, however, say “you can only do Z”. So the resolution must reflect what the board said and agreed to, and explain what changed from the first meeting through the second meeting.

What if at the Council meeting regarding the resolution, the Council changes what they are agreeing to, from what was public noticed?

The public and board may change their minds. The Department just has to see proof that it was discussed, why it was changed and submit with Authorized Representative’s signature.

Is CDBG still asking for a sign up/sign in sheet for the public hearing?

Yes, if available.

NOFA BASICS

Given that all activities (except for ED OTC) will be in one contract, will you give Authority to Use Grant Funds by activity or as a whole contract?

By activity, once the special conditions for that activity have been cleared.

We have Community Development application writers and Economic Development application writers, who have always gone down their own paths. It seems that coordination will be hard.

Yes, this is a change, so cities and counties will have to coordinate their application writing. This will be especially important for cities across their non-profits providing public services.

What about Lump Sum draw-downs vs. the 50% Rule?

They will have to be reconciled and shown as having been truly expended prior to the application due date.

The 50% Rule applies to Set Asides?

Yes, it applies to your ENTIRE contract amount including Admin.

But the 50% Rule doesn’t apply to applications for this NOFA?

Correct.

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Is Self-Certification allowed for Limited Clientele?

Yes.

- **Allocations**

Does the Public Service 15% cap include Set Aside?

Yes. Program Income is included in 15% too.

With the 51% needing to be Housing and Housing related, what does that mean?

It means essentially everything in housing and infrastructure because Community Development funds must be spent in primarily residential areas.

Can Program Income General Admin (PI GA) be banked for a large project?

Yes, there is no hold out for PI on hand.

In an ED application, if we apply for an Enterprise Fund combo of \$ 300k for Micro-Enterprise and \$200k for Business Assistance, can we come in for \$100k Set Aside for Business Assistance?

Yes.

Can you apply for and receive \$600k for Public Services by using the Set Aside?

Yes, but you may not apply for more than three Public Services total, under this NOFA.

NATIONAL OBJECTIVES

Is Code Enforcement eligible under slums and blight?

No, it must be done under Community Development with a service area.

Does the activity have to be 100% or 51% for the Service area?

It depends on the activity

- 100% Limited
- 100% Income qualified
- 51% Area for, for example, a fire station service area...

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Low-Income National Objective

No credit for creation of Moderate income jobs?

Moderate for CDBG is 80% so job creation must be for 80% or less.

Can Self Certification be used for Limited Clientele?

Yes.

The Department of Aging uses age 60 for the qualifying age of Seniors, what does CDBG use?

CDBG uses 62.

Do we need to collect demographic information?

Yes.

Can we still challenge Census data with an Income Survey?

Yes.

For Job Creation purposes are we compliant if we “make the jobs available to low/mod persons” since sometimes a low/mod worker might not be appropriate or we can’t find one?

No, HUD SF requires “filled by” not “made available to”. 51% of jobs created must be filled by low/mod income persons.

What about a Software Development Company (not low income) in a Slum / Blight?

Low/Mod job creation/Retention still required.

ELIGIBLE ACTIVITIES

ED Activities

- OTC

Are OTC activities subject to the \$2m per application cap?

No.

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Is elimination of Slums and Blight is a construction activity?

Yes.

Is it correct to assume that it would be difficult to use working capital as an activity to eliminate slums and blight?

Yes. This is not about prevention, it's about elimination.

Is it eligible to use a different source for elimination of slum and blight, but then use working capital CDBG for more investment into the project?

Yes, that works provided the whole project works for CDBG with National Objectives, Prevailing Wage, etc.

What determines Slum and Blight?

There are specific things and your board must define an area as slum and blight; it must really be a building not a farming area.

Could an activity be eligible under Slum and Blight if the business shutting down would create Slum and Blight?

No, Slum and Blight is used to *eliminate* Slum and Blight. There is no provision for *prevention* of Slum and Blight.

With regard to National Objectives, the public benefit stands by itself so even with elimination of slum and blight as a National Objective is there still have a jobs test?

Yes, but none of them have to be low/mod.

If Redevelopment has gone away, how do you determine Slum/Blight area?

HUD has a survey you can conduct. The City or County can determine. You can also do under Spot Blight.

What stage of the OTC thought process do you want the Inquiry Application sent?

Talk to us now, and submit the Inquiry Form found on the CDBG Website.

Can you apply for an OTC in the same year as a PTA?

Yes, and you can apply for more than one OTC project in a year as well.

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- **Enterprise Fund**

How will an application be scored if we have past Micro-Enterprise Technical Assistance grants that have not been totally expended?

Scoring on past grant expenditures for open grants will be done based on percentage of activity funds spent (Micro-Enterprise or Business Assistance) in relationship to the amount of time that has passed under the contract.

Unemployment is only by county, not city?

Correct, unemployment numbers used under this NOFA for enterprise activities are in Appendix O.

If a jurisdiction wanted to start a Micro-Enterprise program, but haven't done it before, should they not apply because of lack of experience?

No, a jurisdiction can use the experience of a Program Operator to prove capacity to implement a Micro-Enterprise program. A jurisdiction can also apply for the Micro-Enterprise program under the Un-scored Set Aside.

What source should we go to for the business inventory?

See the application and NOFA for web sites; contact the local chamber of commerce, and work with local Economic Development Corporation to network with businesses.

Do you expect us to do a survey of businesses in the community or do we look up EDD data?

It is up to the applicant to determine what information to gather based on the market analysis methods they are using. See NOFA and webinar for suggestions on data and analysis for evaluating ED local market conditions.

What are you looking for in "Analyzing End Users"? Do we just make a generalization of our target market?

End users are typically part of a market analysis so there is typically some analysis done on them as part of program design.

If a group of communities along a corridor entered into cooperative agreements- could they apply for a corridor analysis and marketing plan?

Yes, this type of ED planning study is possible. Each community can only apply for funds for the portion of the study within their jurisdiction.

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Which FAR should we reference to complete the expenditure data?

FAR ending December 31, 2011.

Can an applicant propose to fund an incubator in an entitlement jurisdiction?

No, State CDBG funds cannot be used to fund CDBG activities in an entitlement jurisdiction. See Management Memo 12-01 Spending Non-Entitlement Funds in Entitlement Areas:

<http://www.hcd.ca.gov/fa/cdbg/mmemo/>

Speak to your CDBG Rep. for further guidance on this subject. An Activity could be determined ineligible if there is indication that the Activity is providing more than incidental assistance to entitlement citizens.

A lot of small cities and counties will show no data in these US Census data sources due to small sample sizes in the community, what data can be used?

If a jurisdiction is too small to use specific census data then the census data may be used for “regional” ED market data. For more specific local ED market data, the application provides a number of local sources where this information can be obtained.

Can we use County data for a small city that may not show much data?

Yes, if a jurisdiction is too small to use specific census data then the county census data may be used for “regional” ED market data.

What is the CDBG definition for the size of Micro-Enterprise businesses (1-5 employees including the owner)?

An eligible CDBG Micro-Enterprise business must be documented as having not more than 5 employees (head count, not positions, combined into full time equivalents), including the owner(s).

Regarding a private lending survey, can we sample local banks for their lending parameters vs. an entire survey of all banks? There are a lot of banks/credit unions out there.

It is up to the applicant to justify the survey methods used in accordance with basic statistical sampling methods.

Does this application require us to submit Program Guidelines or a Program Design?

No.

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How do you document capacity, if you have been delivering Micro-Enterprise for more than three years and do not have any current certificates of study?

Certificates are not required. An applicant may provide resumes and duty statements of program operators and detail of Micro-Enterprise services offered over the past three years to document capacity.

What are you looking for under Description of Organization and Structure, specifically the "Structure" component?

The description of the organization and structure needs to provide more detail to support and describe the organizational chart. The description must also clearly describe how the organizational structure works in implementation and oversight of the proposed program.

Is the Description of Organization a detailed discussion of Program Structure / Design, or is it just an Org Chart?

There may be both a narrative describing the program structure AND an organizational chart.

Can a Set Aside be an ED combo?

Yes.

Are we restricted to using an underwriter on the CDBG list, or can we use any lending institution with underwriting experience?

No, there is not a restriction on use of loan underwriters for enterprise fund programs. For capacity purposes and for a successful enterprise fund program, underwriters should have CDBG experience so they meet HUD underwriting standards.

Does a Combo program count as one activity or two?

It counts as one of the three eligible under this NOFA. For completing applications, however, the applicant would complete two EF applications.

Is applying for Enterprise Fund Micro-Enterprise Technical Assistance and loans one or two activities?

It is considered a Combo and is one.

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Under Micro-Enterprise, if the application included Technical Assistance and loans, would it also have to include Assistance in order to be able to move the money around?

Yes, you can only move funds to activities that you have already been awarded.

Is there still a façade program?

Yes.

What activity is ADA work for City owned properties?

The activity would be done under Public Facilities not Public Improvements.

What if we need to do working in a Historic area w/Mixed use buildings?

CDBG funds can be prorated.

Can façade be done under Business Assistance?

Yes, but how do you get jobs? Too difficult so we generally do them under Micro-Enterprise.

If an ED Combo is applied for, how is it scored?

The Department will look at whether or not you have experience in both and have the staff to handle both, so we will take those two scores (Micro-Enterprise and Business Assistance) and average them.

- **Spending in Entitlement vs. Non Entitlement**

Please be sure to read Management Memo 12-01 regarding this topic.

<http://www.hcd.ca.gov/fa/cdbg/mmemo/12-01.pdf>

What if my jurisdiction is surrounded by unincorporated areas of an Urban county?

The non-entitlement city boundary is ok but the surrounding area is not eligible for State CDBG funds.

Would the State care if an Entitlement wanted to do an activity in a Non-Entitlement?

No, but HUD may have an issue with it.

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HOUSING

- **Homeownership Assist & Rehab**

If we chose to do rehab grants in addition to loans, would my guidelines have to be changed prior to our application or prior to my application?

For readiness reasons, best to submit proposed guidelines with your application.

Is housing counseling eligible under Homeownership Assist?

No, Housing Counseling is a Public Service, not a Housing Assist.

Can Homebuyer Assist be restricted to small defined area?

Restricting where someone can purchase a home is very likely to be a fair housing issue.

In scoring housing projects and housing programs, will our applications be separated out into one pile for projects and one pile for programs with each being scored separately?

Yes, but those scores will be averaged to get your “Housing Score”, and they will be scored against other Housing Combo applications.

What about Laterals?

Laterals are eligible as part of your Housing Rehab Program in CDBG. Laterals must be an eligible cost under your Housing Rehab Program Guidelines and each household must be income qualified. Laterals work best with low/mod people if they are grants, and then use a loan to bring the house as up to code as possible but this is a jurisdictional policy decision.

What is the difference between “Infrastructure Improvement for Water and Sewer” versus “Housing Rehab and Laterals?”

Infrastructure is the mainline sewer line or water line down the middle of the street, for example; the lateral is the line from the infrastructure to the house.

What if laterals go under roads? Is repairing the roads still part of the rehab?

Yes, if the installation of the laterals damaged the road then repairing that damage would be an eligible cost.

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But what if the lateral is coming from the main to a 3 acre property with a low/mod MFH complex?

It is still not infrastructure, but is an eligible project cost. The Department recommends that you discuss this scenario in detail with your CDBG Rep.

Where are the points for Readiness?

All funding in place.

Is Demolition considered Rehab?

No, it's part of Acquisition.

- **Multi-Family Rehab**

Since Multi-Family is 5 or more units, it seems I would need to apply as a SFR rehab if I have 4 properties with 2 sets of duplexes on each property?

Yes.

- **Real Prop Acquisition**

Does CDBG have a definitive time period for affordability?

Not necessarily, but there is a “no change of use for a minimum 5 years” requirement. The Department may, however, request an affordability period depending on what the activity and grant amounts are. Be sure to speak to your CDBG Rep. prior to signing any agreements.

CDBG will pay for acquisition for new construction of affordable housing?

Yes, you just can't pay for the construction. You can pay for things “in support of new construction”.

How do you know which application to use for which housing activity?

If you are just acquiring, use real property acquisition. If you are doing acquisition and rehab, then use the Acquisition/Rehab application.

Under Acquisition/Rehab do 100% of the tenants have to be at or below 80%?

Only if CDBG constitutes all of the funding being used to acquire or rehab the property. If the project is mixed income then you have to have the number of low/mod units be proportional to the amount of money you have in the deal. Meaning, if CDBG is \$1m of a \$2m project, 50% of the units must be 80% or below.

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Does the capacity or experience of a contracted organization add to our capacity scoring for the jurisdiction?

Not really. There may be some information to be filled out, but overall scoring should not be related to the capacity of the subrecipient. The design of the program and who will be operating (in-house or out of house) will be scored. The applicant can propose working with subrecipients or not.

- **Public Improvements**

If an applicant has never done CDBG public improvements, are they rated on not having done that activity before?

Yes, there are some capacity questions, *but* the weighting of those questions is not heavy. It will be very important to review the webinar for Public Improvements to make sure you are clear on the scoring criteria.

On a water/sewer project that is within an existing neighborhood do you have to submit census for low-mod?

The applicant is required to submit a service area map (who will benefit) along with the Low/Mod data related to that service area. This will be the basis of determining the activity's eligibility and the score of the activity. The area could be jurisdiction-wide or limited to a few streets.

The sewer lateral line comes down to the Cleanout further down the property line, is th

Yes, in fact the entire line from the house to the main is eligible, but it is Housing Rehab not Public Improvements, and must be done in conjunction with your Housing Rehab program, and be allowable under your guidelines.

If there is no Cease and Desist order you will get fewer points, right?

Possibly, but if that makes your application less competitive, you can look at doing it as a Set Aside.

If our project is a Storm Water drainage project, what would be a Set Aside that is not "phased"?

You can apply to do a storm drain in a different part of the unincorporated area provided the service area is primarily residential.

Could the Set Aside be sidewalks?

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Yes, so long as the sidewalks are benefiting residential area.

What if the Improvement is on a closed military base and the jurisdiction-wide doesn't work?

The beneficiaries would be low/mod so it's *eligible* but for *scoring* the jurisdiction low/mod scoring might not be competitive.

Within the big "in support of" projects, we have to deal with the 36 months to spend and 5 years to get the multi-family units in?

Yes, exactly. Readiness is a crucial part of moving these projects through to get the affordable units up and operational.

What about doing water/sewer/curbs and sidewalks, where the sidewalks are used by general public?

Community Development Public Improvements must be in primarily residential area, otherwise it must be Economic Development. Thus, you have to be clear about your service area and that it is both residential and at least 51% low/mod.

What about an ADA project for a business?

Would be Business Assistance if a smaller project, or OTC if larger, but you would have to get the required amount jobs.

- **Public Facilities**

Whether its day care or seniors is there an eligibility issue?

Yes, seniors are Limited Clientele (51%). For Day Care you can self-certify families. All services must meet area-wide eligibility.

Can a Fire Station be rehabbed under public facility?

Yes.

What if fire and police stations are combined? Could we only rehab the fire station part?

Depends on whether the police and fire stations are administrative or just service? If Administrative functions occur there, such as it being where the Police and Fire Chief sit, then CDBG cannot pay for that part, which means the project only proportionally CDBG eligible.

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If a city government building is not ADA compliant is it eligible for ADA improvements under CDBG?

Yes, ADA is eligible even if a government building.

For purposes of Public Services, are mentally ill people considered Limited Clientele?

Yes, if they are severely disabled. That means, “Adults meeting the Bureau of Census definition of severely disabled adults”.

If you have a Public Facility that provides services to whole the jurisdiction and there is a dollar amount needed to maintain the services, can the facility use CDBG funds to defray costs for the times during the day that the limited clientele are using the facilities?

No, HUD says eligibility must be done by square footage not time and must be done for a minimum of 5 years.

Can farm workers be considered Limited Clientele?

Migrant Farm workers are limited clientele, but only migrant.

For a Public Facility activity, does the Public Service within the Public Facility need to be paid for by CDBG?

No.

What about funding a Public Facility w/ multiple agencies? How do we do the benefit piece?

If all the agencies are providing eligible CDBG activities then it is okay; otherwise you would have to pro-rate the funding. Eligibility is based on square footage that is CDBG eligible, not a time demarcation. So if a jurisdiction uses a library for senior activities at night, it would not eligible. If you have a questionable scenario like this, the Department recommends that you contact your CDBG Rep. for further discussion and technical assistance.

- **Public Services**

Under this NOFA can we apply for funding for a Public Facility and a Public Service that we will operate in that Public Facility?

You could, but it is not recommended because money for Public Service can't be spent until Public Facility is up and running. In this scenario, it is likely that you won't hit the expenditure

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deadline in your contract since the Public Facilities funding must be spent before Public Service can operate. The Department's recommendation is to only apply for the amount of Public Service that can be spent in the same time as the Public Facilities funds being spent.

What if we are currently providing a service in a different location?

Yes, in that case you can apply for both the Public Facility and Public Service funds at the same time.

Can a homeless shelter and domestic violence shelter be one service even though they are in separate locations?

No.

Can you have multiple services areas (non-contiguous)?

Yes, but there must be logic to it, it can't be used simply to qualify.

What about a Public Facility providing a Public Service being located in an entitlement city?

It is questionable; it depends on who benefits from the service (i.e: what is the service area?). If the benefit to the entitlement city is incidental, then it is ok.

See Management Memo 12-01 for more information on spending Non-Entitlement funds in Entitlement areas. <http://www.hcd.ca.gov/fa/cdbg/mmemo/12-01.pdf>

The NOFA talks about ineligible uses of funds, specifically emergency payments to individuals beyond 3 months. Does that apply to food banks?

No, is just applied to cash payments for emergency services for no more than 90 days.

- **Planning and Technical Assistance**

If you want to apply for an ED PTA, do you have to apply for an ED activity or can the activity be awarded under the CD allocation?

A non scored PTA, ED or CD study, does not need to be connected to a scored ED or CD activity. PTA is one of the three "Big A" activities that can be applied for under this NOFA and is not connected to the type of other activities your application.

Are the poverty scores in the NOFA?

Yes, Appendix A

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Would there be a stitch where a jurisdiction would apply for a stand alone?

It's possible, but maybe not.

When you get oversubscribed how do you rank?

By Poverty scores. We can change that in the future if someone comes up with an improved way to rank them.

Can I do a PTA and a Set Aside (Un-scored)?

No, it must be one or the other.

Will all PTAs go through the tie breaker?

Only if they are oversubscribed.

Will Poverty be prorated?

No, it is the raw poverty score.

Does “stand alone PTA” mean that’s the only thing you are applying for under this NOFA?

Yes.

Are you using the 2000 Census?

No, we are using the 2010 Census data and Low/Mod will be HUDs 2011 Low/Mod numbers.

If you win a “stand-alone” PTA are you subject to 50% rule next year?

Yes.

- **Set Aside**

Can you come in for a housing rehab program and then a sewer lateral program as a Set Aside?

Under the Set Aside you are able to apply for \$100k in additional funding for Housing Rehab. However, there is no Sewer/Lateral program, so to do a Sewer/Lateral activity it must be done in conjunction with your Housing Rehab program and must be allowable under your guidelines.

Can the Set Aside be used to fund an OTC related activity?

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No.

For a Public Facility, you cannot add funds with the Set Aside to a project that you are already applying for?

No, since there is a one project limit.

But the Set Aside must meet eligibility criteria?

Yes, it has to qualify as an eligible activity that meets a National Objective.

FEDERAL OVERLAYS

- NEPA COMPLIANCE

What is required for NEPA under this NOFA?

No documentation is required. NEPA is done separately from the NOFA application and can be worked on with your CDBG Rep. prior to or after you submit your application.

- RELOCATION

In Housing Rehab: what if families need to be relocated due to Lead Based Paint, do we have to provide relocation if they say they are going to go live with their daughter or something?

No, it's voluntary if the tenant doesn't want it, but it all depends on what is in your guidelines.

Can a business be displaced?

Yes, and they are eligible for relocation.

What about Cash for Keys situation during foreclosure?

If the property is not vacant for 90 days then you will either not assist or will pay for permanent relocation.

- LABOR STANDARDS

In project budgeting where do we find Prevailing wage?

Budget 20 to 30% higher for building costs. The Engineers and Architects will know how to do this and will expect it.

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- **PROCUREMENT**

Can a jurisdiction do the procurement process prior to submitting the application?

Yes. However, since the CDBG NOFA will most likely be competitive, the jurisdiction would be advised not to enter into a contract without contingency language.

Does this mean we can procure someone to write the grant and then administer it afterwards?

Yes, prior to the grant application submittal, it is possible to do an RFP for procurement of consultant services to prepare the application and administer the grant if awarded (Scope of Work would be both parts). However, because the new NOFA allows for both CD and ED activities then the RFP must not require consultants to be qualified to do multiple and different activities (housing and enterprise fund), as this would preclude most consultants from responding. Contact the proper CDBG Rep. to review any RFP process that is for both application preparation and grant administration.

What is the difference between a RFP and a RFQ?

Request for Proposal (RFP) is where you are asking for proposals that must include cost to complete the scope of work. A Request for Qualifications (RFQ) is where you are asking for contractors to submit their qualifications (Engineers and Architects) in being able to complete the work, and the cost gets negotiated later.

Procurement: is there a pro-forma Subrecipient Agreement?

Yes, there is a Subrecipient Agreement template in Chapter 2 of the Department's Grant Management Manual - <http://www.hcd.ca.gov/fa/cdbg/manual/chapter2.html>

What if I do have a conflict of interest?

Any conflict of interest, real or perceived, requires you to discuss it with your CDBG Rep. Neither, the jurisdiction, nor the Department, can "waive" a conflict of interest. Federal regulations require it to be cleared through HUD.

With the 3 ways to procure, will we win more points in the application if we have signed sub-recipient agreement?

Not anymore. It used to be readiness.

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Aren't sub-recipient agreements limited to non-profits and government entities?

Yes.

If we send out an RFP and only get one proposal back, I just do a subrecipient agreement?

No. The subrecipient agreement is a different process. Since your responses were limited to one proposal, you must get the Department to approve a Sole Source Request (in writing) prior to signing any contract. You can also choose to re-distribute the RFP to a larger applicant pool and solicit additional proposals.

NOFA APPLICATION – SUMMARY

What if the design public hearing was a year before the resolution?

That's ok. The date between the 2 hearings must be at least 30 days. If the time between hearing and publishing is short, that is not good, it must be a certain number days. See GMM Chapter 18.

We are only going back two (2) years for Capacity?

Yes, for information relating to grant years, the applicable years should be 2009-2010

What if I have three (3) activities with different people handling the different activities?

Add supplemental pages so that the Department has a clear picture of how each activity will be handled, and by whom.

<p>NOTE: Leverage is not a point getter anymore, but listing it allows us to report it into IDIS (which is required). It's only projected, so you will not be held to the amounts.</p>

How should the Resolution define the signers?

The Resolution must state what position (not required to state the name of the person in the position) will be the Authorized Rep is to sign Resolution, application, 504 certification, and so on. The highest ranking official must sign the Statement of Assurances.

Does DRI count toward performance?

No, neither does NSP or CDBG-R (ARRA funds)

What is the distinction between Activity Costs and Activity Delivery?

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Activity costs are hard costs, AD are generally soft costs. See Appendix N on the Current NOFA page of the State's CDBG website.

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How far back do the monitoring findings go?

It pertains to monitorings in the last two years, and if you haven't been monitored in the last two years then it is Not Applicable. Also, it pertains to active findings and working with us on clearing and mitigating.

In the Sources and Uses form do you put PTA match under Local Funds?

Yes.

Are we going to be scored negatively if you had to return funds?

No. If funds had to be returned then the return of funds has been addressed via monitoring and steps are being taken to remedy the issues. The only time points will be lost is if the jurisdiction has been uncooperative in following the steps set out by the Department to remedy any monitoring findings.

What about if we haven't received the monitoring letter yet?

If you haven't received a letter, then you cannot be deemed uncooperative with remedying findings.

Page 17 of the Summary Application - Procurement: appears to force the jurisdiction to do procurement before application, is this true?

No, scoring will not require that, but if you do have an executed contract, we need to know it.

Should we double check that CDBG has logged all our reports?

Yes, contact your CDBG Rep. to make sure that the Department, indeed, has all the reports you have submitted.

For the category of "Reporting" under Capacity, it says not to included PTAs, is that correct?

Yes, that is correct.

Regarding monitoring, do we put that we had a visit even if we haven't received the letter?

Yes.

Does Match go in the All Funding Sources page?

If you are doing a PTA, yes.

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In the All Funding Sources page do private bank funds go in the form under Local?

Yes.

With the way the Summary is written, it appears that you can increase Activity Delivery on Public Services, is that possible?

No, AD on Public Services is not applicable.