

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE  
FEDERAL PROGRAMS BRANCH**

**Community Development Block Grant Program**

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**CDBG MANAGEMENT MEMORANDUM**  
**Community Development Block Grant Program - Memorandum Number 15-03**

**April 1, 2015**

**MEMORANDUM FOR:** Non-Entitlement Jurisdictions Eligible for State Community Development Block Grant (CDBG) Program, Economic Development (ED)

**FROM:** Thomas Brandeberry, CDBG Section Chief

**SUBJECT:** Grant Management Manual Update: Release of New Chapter 21: Business Assistance Activities – BA Program and ED Over-the-Counter Projects and Supporting Documents

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**Purpose of this Memorandum:**

The purpose of this Management Memorandum is to inform all non-entitlement jurisdictions eligible for State CDBG funding and jurisdictions with open CDBG grant contacts and/or available CDBG Program Income, that a new Chapter 21: Business Assistance Activities has been posted on the CDBG Website.

As supporting documents are complete and approved they will be posted on the CDBG Website.

The following documents will be posted within the CDBG Grant Management Manual online and can be found at: <http://www.hcd.ca.gov/fa/cdbg/manual/chapter21.html>

- Template BA Program Guidelines
- BA Program Loan Certification Form
- [BA Project Flow Chart](#)
- Jobs Tracking Form
- BA Program Self Certification of Income Form
- National Objective Standards Compliance
- Public Benefit Standards Compliance
- Six Underwriting Standards Compliance

- Certification of No Job Pirating / Relocation
- Certification of No NEPA “Choice Limiting Action”
- Certification of No Conflict of Interest
- BA Project Site Visit Form
- [ED OTC Project Process Flow Chart](#)

**Program Policy Changes:**

Effective immediately, with this new Chapter and related documents, the Department has made significant policy changes that will streamline how Grantees administer their BA activities, both BA program and ED OTC projects. The following is a list of the most significant changes. However, the Department strongly recommends that the entire chapter be read to ensure a full understanding of how the Department requires BA activities to be operated.

1. Under the Enterprise Fund (EF), Business Assistance program, the Department will no longer require its approval of the loans at the Department level. All BA loans will be approved at the local grantee level. Like the Microenterprise program (also under the EF) the grantee will only be required to submit a loan certification along with a setup and completion report per business assistance.
2. The Department requires grantees to use the current template BA program guidelines posted on the chapter’s webpage. Grantees must have Department approved guidelines on file with the Department before implementing a BA program. Previous BA guidelines adopted prior to the release of this chapter are obsolete and the current guidelines must be adopted prior to resuming BA loan program activities.
3. Grantees with existing programs do not need to complete the Department’s General Conditions Checklist. However, grantees establishing a new BA program using grant contract funds, Program Income (PI) funds or ED RLF funds must complete and submit a General Conditions Checklist with required documentation.
4. The Department has established a maximum loan amount for BA program loans of \$300,000, not including activity delivery or general administration costs. This maximum applies irrespective of what source(s) of CDBG funds are used, i.e. grant contract, and/or PI, and/or ED RLF.
5. CDBG BA loans that request more than \$300,000 will go through the Department’s ED OTC project review and approval process. See the ED OTC Application Process flow chart posted on the BA chapter’s webpage.

As always, any questions or concerns regarding ED activities must be directed to the grantee’s current CDBG Contract Representative.

A list of CDBG Contract Representatives and their territories can be found here: <http://www.hcd.ca.gov/fa/cdbg/docs/CDBG-Staff-Rep-Map-11-2014.pdf>