

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE****Community Development Block Grant Program**

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**CDBG MANAGEMENT MEMORANDUM**
Community Development Block Grant Program - Memorandum Number 15-04

April 2, 2015

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

FROM: Thomas Brandeberry, CDBG Section Chief

SUBJECT: New Required Setup and Completion Reports

The Department is changing how the CDBG activity accomplishments are to be reported, moving from contract-specific Grantee Performance Reports (GPR) to activity-specific CDBG Project Setup Reports and CDBG Project Completion Reports (Setup/Completion Reports). Over the next few months the Department will post the individual activity-specific Setup/Completion Reports to the CDBG [Forms and Reports](#) website under the "Fiscal" section.

This change will allow the Department to receive accomplishment and leverage data much sooner than the GPR process allowed, and will collect data based on individual projects. The results of this change in reporting will allow the Department to report the Program's accomplishments closer to real time rather than the annual cycle of the GPR and in some cases will provide details at the individual project level. This change will also provide more consistency between CDBG and the Department's HOME program, which will be helpful at the grantee level since many grantee staff implement both programs.

With the use of the Setup/Completion Reports, grantees will no longer be required to submit annually GPRs, therefore eliminating the need to hold *annual GPR public hearings*. The semi-annual Financial and Activity Reports (FARs) will also no longer be required. Finally, since expenditures will be drawn by individual project the summary of expenditure will only be required for Administrative expenditures.

Note: the Setup/Completion Report includes both the "CDBG Project Setup Report" and the "CDBG Project Completion Report" within the same excel workbook (and in some cases within the same spreadsheet), with the Setup portion to be completed once the project is ready to go, and the Completion portion filled out and submitted at the time of completion of the project/activity. However, the Department encourages the entry of

Beneficiary Data at project Setup, if it is known (for instance, a single family owner occupied housing rehab project).

“Setup” Reports:

The General Conditions Checklists have been revised to require project Setup Reports to be submitted (infrastructure projects and public services, for example) for the activities that will require the Setup Report as part of the contract General Conditions clearance process.

For “program” activities (Homebuyer Assistance, for example), Setup Reports will be submitted once an address-specific “project” has been locally approved (which must be after the activity General Conditions have been cleared).

“Completion” Reports:

Project Completion Reports are completed at different times based on HUD’s requirements for submitting accomplishment data into Integrated Disbursement and Information System (IDIS). The following applies:

Projects: When the project is complete and the National Objective has been met, the grantee will submit the accomplishment data. Activities such as Public Facilities, Multi-family Rental Projects, Infrastructure Improvements, and Economic Development Over-the-Counter Projects (ED OTC) all fall under this criteria. When a Setup Report was submitted with the General Conditions Checklist, the Completion Report is submitted once the project has been completed (construction is finished, all project funds are expended and the project has met its National Objective).

Programs: Programs are those awarded activities that require guidelines, and at the time the Department awarded the funds and cleared the General Conditions there are no identified address-specific “projects.” Each Micro-enterprise loan or grant, each housing rehabilitation loan and/grant, each Enterprise Fund Business Assistance loan, and each Homebuyer Assistance loan will require separate Setup/Completion Reports once the assistance has been provided, the work completed and the project has met its National Objective.

Activities: Micro-enterprise *Technical Assistance* and Public Services are “activities” since they are not limited to individual street addresses. The Completion Report is submitted once the approved timeframe (two year public service) has passed, or once all funds have been expended, whichever comes first.

Note: The above “Activities” (vs. Projects) Setup/Completion Reports will have annual reporting requirements. Grantees must report all activity accomplishments for the previous state fiscal year by July 31 of the current year.

Funds Requests:

Moving to individual Setup/Completion Reports requires that the CDBG Funds Requests (now revised and on line) be submitted based on individual projects. Funds Requests will no longer be submitted based on the overall CDBG contract. While this will increase the number of funds requests submitted by grantees, the process will be simpler to manage, and will be consistent with the Department's HOME program.

There will now be two CDBG Funds Request forms; a "General Administration Funds Request" that will require a Summary of Expenditures be completed, as well as an "Activity Funds Request" which will be used for either the approved activity or project. Although the Activity Funds Request does not require the Summary of Expenditures, there must be a Setup Report for the project before the Funds Request can be processed.

Program Income

All Supplemental Activities (SA) named in the grantee's contract require the Setup/Completion Report process as noted above.

Revolving Loan Fund (RLF): If grantees have been approved to implement one or both of the Department's RLF activities, the grantee must submit, along with their semi-annual Program Income Report, a Setup/Completion Report for each project **completed** during that reporting period.

Waivers: All PI waiver activities require an approved Program Income Reuse Agreement and grantees will be required to submit Setup/Completion Reports as noted above.

Transition Policy:

This new reporting process will be fully implemented for the 2015 CDBG contracts. However, since there are active contracts in various stages of implementation, the following policy applies for any active contracts (any CDBG contracts that the Department has not issued a Close Out Letter):

- The new Funds Request (by activity/project) must be used as of the date of this Memo.
- For activities (public services, for example) where the General Conditions have already been cleared, grantees may submit the activity Funds Request without the submission of a Setup Report. However, grantees will be required to submit annual accomplishment reports all for Public Service and Microenterprise Technical Assistance activities at the end of the fiscal year. At that time, grantees will be required to submit the Setup/Completion Report.
- For single projects identified within the CDBG contract (Public Improvements, Public Facilities, ED OCT projects, Multi-family Rehabilitation), the Funds Requests may be submitted without the Setup Report but at completion of the

project both the Project Setup and Project Completion sections of the Report must be submitted.

- For Program Activities (Business Assistance, Microenterprise Financial Assistance, Housing Rehabilitation and Homebuyer Assistance), the Funds Requests cannot be submitted without an individual project Setup, and if appropriate, Completion Report.

Note: due to the use of Microsoft Excel workbooks tools, grantees will need the have the Excel 2010 or newer to be able to use all of the workbook enhancements.

For additional assistance please contact your [Contract Rep](#), or contract Alfredo Gutierrez at (916) 263-2729 or Alfredo.Gutierrez@hcd.ca.gov.