

CDBG Office Hours

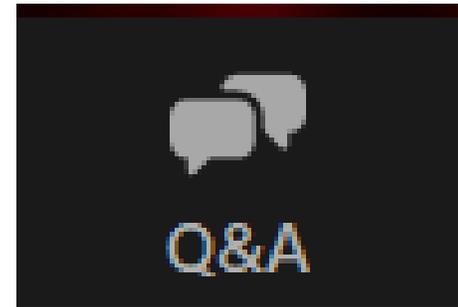
Team HCD CDBG





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





Reminder: Training Resource Now Available

- HUD CDBG-CV Rural Economic Development Quick Guide, has info on:
 - Program Design
 - Best Practices
 - Duplication of Benefits
- [CDBG-CV Rural Economic Development Quick Guide - HUD Exchange](#)



Upcoming Training

Final Reminder!

Join HCD and HUD for a training on Section 3 requirements for federally funded projects

What will the training provide? This training will give an overview of the Section 3 New Rule, utilizing the Business Registry and Opportunity Portal, and will provide time for discussion about compliance and implementation

Who should attend? Any entity which receives Section 3 covered assistance, directly from HUD or from another recipient.

[HCD/HUD Section 3 Training Registration: October 5 and 6, 2021](#)



Upcoming HUD Training

HUD is offering CDBG-CV best practices training

HUD Exchange: CDBG-CV Best Practices Webinar Series Information

Webinar	Date and Time	Registration
<u>Economic Development and Assistance to Businesses - HUD Exchange Link</u>	October 13, 2021 2:00 - 3:30 PM EDT	<u>Register Link</u>
<u>Public Services - HUD Exchange Link</u>	October 14, 2021 2:00 - 3:30 PM EDT	<u>Register Link</u>
<u>Public Facilities and Building Improvements - HUD Exchange Link</u>	October 26, 2021 2:00 - 3:30 PM EDT	<u>Register Link</u>
<u>Interim and Affordable Housing - HUD Exchange Link</u>	October 27, 2021 2:00 - 3:30 PM EDT	<u>Register Link</u>



CDBG Program Updates

- **2020 CDBG NOFA**
 - ❖ 109 Approved
 - ❖ 102 Standard Agreements finalized
 - ❖ 3 Pending Acceptance or returned for changes
 - ❖ 4 Internal Routing

2021 CDBG NOFA

- 65- applications submitted
 - ❖ **15 – Non-Housing**
 - ❖ **21 - Housing**
 - ❖ **20 - Planning**
 - ❖ **9- ED application**

Reminder:

- **MANDATORY USE OF HCD RESOLUTION TEMPLATE. The Word Version is available .**



CDBG CV1

- CDBG-CV1
 - ❖ 82 Approved
 - ❖ 82 Standard Agreements finalized
 - ❖ 0 Pending Acceptance or returned for changes



CDBG CV2 – CV3

- CDBG-CV2 and 3
 - 164 Submitted Applications:
 - 17 Rescinded/withdrawn
 - 35 routing
 - 50 pending acceptance/final approval
 - 35 executed contracts

Questions and Answers



Recap of Prior Questions and Answers





Accounting services for microenterprise

Question:

Can our local program require microenterprise applicants to attain a bookkeeping or accounting service or staff?

Answer:

Nothing prohibits this, but it is a cost, you may want to provide support this if it's a requirement. Two possible approaches include:

- Provide assistance as part of the grant to microenterprises for accounting support as a capacity building function to the business
- Engage a subrecipient directly to provide these services to qualifying microenterprises



Updates to Appendix H

Question:

- Is this update applicable to CV1 or the 2020 NOFA?

Answer:

- Appendix H is applicable to CV1, some flexibility is specifically applicable to CDBG-CV, so may not be applicable to regular CDBG programs.
- But the Grants Management Manual chapter on Economic Development will offer further guidance (similar to Appendix H).



Income Determination

Question:

- 2022 NOFA uses AGI for microenterprise, can we use that instead of Part 5?

Answer:

- Grantees need to choose if they are following Part 5 or AGI to determine income, and then follow that process consistently within their program.



2022 Program

Question:

- The requirement to do environmental review prior to application means applicants must incur cost to do this. Please advise if new projects will be allowed in the 2022 OTC program.

Answer:

- Thank you for your feedback



Covid Nexus and Appendix H

Question:

- If our program is in the 2020 regular CDBG program and addresses coronavirus (and has the nexus to coronavirus) do we need to follow Appendix H?

Answer:

- Yes



What does the CDBG and CDBG-CV program involve?

Question:

- Please describe the CDBG and CDBG-CV programs

Answer:

- State of California runs the Community Development Block Grant CDBG program for communities that are not entitlement (so they do not get funding directly from HUD).
- Cities, Counties, Colonias, and Tribes are eligible and nonprofits can be eligible as subrecipients.
- The CDBG program is pretty broad and can meet a lot of community needs, ex: parks, subsistence payments, etc.
- As a community member, you can engage with your local government to let them know about your needs or the needs of people you work with.



Childcare costs

Question:

- Are childcare costs an eligible expense when providing assistance to microenterprise owners?

Answer:

- Yes as "general supports" - childcare, peer support programs, counseling, and transportation are eligible as part of microenterprise assistance.



Childcare costs (continued)

Question:

- Is childcare a technical assistance activity for microenterprise?

Answer:

- No, it would be considered general support, but it is eligible under a microenterprise assistance program.



OTC Project List

Question:

- Since these projects will need to go back out to bid if they are funded two years after their initial application, does that present an issue with them being "shovel-ready"?

Answer:

- Still to be determined, but it is possible there may be some flexibility there. HCD to provide further guidance once funds are determined to be available.



Adjusted Gross Income

Question:

- Does HCD have guidance on how to use the “Adjusted Gross Income” (AGI) approach to verify income?

Answer:

- An excellent tool to see how AGI works is the [HUD Income Eligibility Calculator and Income Limits \[hudexchange.info\]](http://hudexchange.info). You will be able to select whether you follow Part 5 or Adjusted Gross Income when you use that tool. On this page is also a [user manual \[files.hudexchange.info\]](http://files.hudexchange.info) on how to use that calculator.



Microenterprise Income Determination

Question:

- The Revised Appendix H v2.0 uses the language “Verify household income verification of owners.” HUD regs use the term “Household income” while for non-housing activities CDBG documents (i.e., the State CDBG Guide to National Objectives and Eligible Activities (December 2014) page 3-11 at the bottom of the page and other HUD publications) stipulate that it is “Family income” not household income. This is a moot point if we use the “Adjusted Gross Income” approach but wanted to get clarification on which is correct as the NOFA document is what we work under.

Answer:

- For microenterprises funded through CDBG-CV, you are correct, the household is considered to be the family. The HUD Income Eligibility Calculator can help walk you through who should be included in that calculation.



Private Non-Profit Organizations and Economic Development Activities

Question:

- I've had questions about whether we can fund a nonprofit impacted by COVID that will be creating a job thus meeting the LMJ National Objective.

Answer:

- Grantees may provide assistance to private non-profits when carrying out economic development activities.
- A private non-profit organization is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.
- Faith-based non-profit organizations, like all organizations implementing HUD-funded programs, must serve all eligible beneficiaries without regard to religion. They may not use direct CDBG funds to support inherently religious activities such as worship or religious instruction. (e.g., a church that runs a daycare or restaurant that is open to the public, regardless of religious affiliation)
- The non-profits may serve as subrecipients to carry out economic development-related public services programs (e.g., workforce development, business counseling, providing neighborhood-based assistance, by meeting the national objective of LMC, LMA or LMJ).
- They may also receive grants or loans for commercial rehabilitation and/or to create or retain jobs (LMJ).



Drought-related funding

Question:

Drought-related lateral program is on the HCD website but not on the NOFA calendar – will this be a funding option in the near future?

Answer:

There is not a specific drought-related program set-aside under the CDBG program, but this may be eligible under the 2022 program. Lateral programs are eligible under CDBG funded Housing Rehab Programs. Other programs that could be used at the local level for rehab (including laterals) include CalHome, MPPROP, Local Housing Trust Fund, Permanent Local Housing Allocation...