CDBG Office Hours

Team HCD CDBG
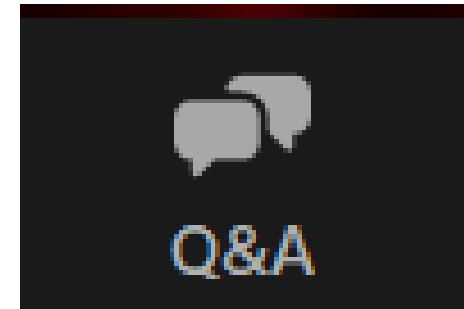
Wednesday, December 8, 2021

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

Please Register for 2022 Office Hours!

- With the 2021 calendar year coming to a close, you will need to register for the 2022 calendar year CDBG Office Hours

- You only need to register one time for 2022. The link to access the webinar will remain static.

- The link to register is:

  [2022 CDBG and CDBG-CV Office Hours - Zoom Registration](#)

- The link can also be found on our CDBG website:

Community Development Block Program (CDBG)

Contact

Application, General Program, and Standard Agreements Questions
CDBGNOFA@hcd.ca.gov

New! Register for 2022 CDBG and CDBG-CV Weekly Office Hours

Program Details

- Purpose
- Assistance Type
- Eligible Applicants and Activities
- Advisory Committee
- CDBG Programs
- CDBG Program Redesign
- Guidelines and Regulations
- Get Funding — Current Notice of Funding Availability (NOFA)
- Awards

Financial Reporting Memo: Available Now

Detailed instructions for how to prepare a thorough Financial Report are available as a PDF document titled ***Financial Reporting CDBG Management Memo #21-01***

<u>Instructions for how to prepare an Financial Report can be found here:</u>
[HCD CDBG Website: Management Memos Section](#)

<u>CDBG-CV Grantees Only:</u> Your GA has emailed a copy of the new Financial Report Coversheet and Expenditures Log for EACH of your contracts to the contact listed on your Standard Agreement. If you did not receive this document, please reach out to your GA to receive a copy.

<u>CDBG Grantees:</u> Submittal of a Financial Report Coversheet and Expenditures Log will become mandatory next year after rollout of the 2022 NOFA. For now, use of this coversheet is optional. A blank copy is found here: **[Link to the Blank Financial Report Coversheet](#)**

Activity Reporting Memo: Available Now

Detailed instructions for how to prepare a thorough Activity Report are now available as a PDF document titled ***Activity Reporting CDBG Management Memo #21-01***

Instructions for how to prepare an Activity Report can be found here:

[HCD CDBG Website: Management Memos Section](#)

CDBG Program Updates

- **2020 CDBG NOFA**
    - ❖ 109 Approved
    - ❖ 107 Standard Agreements finalized
    - ❖ 2 Pending Acceptance

2021 CDBG NOFA
- ➢ 64- applications submitted and currently under review
    - ❖ **14 – Non-Housing**
    - ❖ **21 - Housing**
    - ❖ **20 - Planning**
    - ❖ **9- ED application**

Upcoming HCD Trainings

- 12/22/21- Using CDBG ED funds for Broadband
- 1/11/21 DUNS Number & Debarment Workshop
- 1/13/21 Resolution Training
- 1/19/21 2022 NOFA Workshop (Session 1 10-12)
- 1/25/21 NEPA level of review workshop
- 1/27/21 2022 NOFA Workshop (Session 2 2-4 pm)
- 2/3/21 National Objectives & Matrix Codes

Upcoming Training Continued….

- 2/8/21   How to write an effective narrative
- 2/10/21   2022 Application Technical Assistance
    Session
  2/24/21   eCivis Budget Training

CDBG-CV

- CDBG-CV1
  - ❖ 82 Approved and Executed

- CDBG-CV2 and 3

  - ➢ 166 Submitted Applications:
    - ➢ 21 Rescinded
    - ➢ 3 Awaiting Corrections
    - ➢ 18 Routing
    - ➢ 12 Pending Signatures
    - ➢ **111** Approved

Questions and Answers:
Recap from Prior Office Hours

Upload File Size Restriction

Question:

Can the file size for funds requests be expanded? Currently the file size that can be uploaded is less than 40 MB. It would be helpful to be able to upload invoices together.

Answer:

The reason eCivis has a cap is because of storage restrictions. If you have a report that exceeds the 40MB, you have two options:

1.) Compress the file size – email Sandra Viers (Sandra.Veirs@hcd.ca.gov) if you need help.

2.) Break the report out into multiple smaller files and upload the multiple files.

CV1 Close Out

Question:

While waiting for closeout info on CV 1, should we issue some sort of release to awardees who have fulfilled job retention targets associated with forgivable loans?

Answer:

Yes, this is advisable. The sooner that you can document that the jobs have been retained the better. Collect documentation showing the job count before and after the assistance to show that jobs were retained and keep this information in the applicant file.

Job Creation and Microenterprises

Question:

This is for regular CDBG-Microenterprise - We have a microenterprise business owner who may not meet LMI personally. GNS has never implemented a Microenterprise grant or loan in which an LMI job was created as described in HUD's Microenterprise Development Toolkit (the old GMM did not allow job retention or creation for Microenterprise). I'm assuming this job creation would be documented the same way as job creation is for Business Assistance (1 LMI FTE must be created/retained for every $35,0000). Am I correct in this assumption?

Answer:

The documentation process for LM Job Creation/Retention is the same for microenterprises as it is for other economic development activities. However, only a business with 5 or fewer employees (including the owner) can qualify under LM Clientele if 51% or more of the employees (including the owner) are LMI. If a business does not
qualify under the microenterprise activity, you can also review that business for eligibility under an economic development activity. A business can be a microenterprise and still receive assistance under an economic development activity if they can meet another national objective such as LM Job Creation/Retention or LM Area.

Microenterprise Uses of Funds

Question:

We have a business in Mt. Shasta that is looking to setup a Point-of-Sale system using Microenterprise funds. While computers and software are an allowable expense for accounting and inventory tracking, these are about the only tangible items that are allowed. Is a Point-of-Sale system allowed? It would include a tablet, a "square" (to read a credit card), and associated software which links it to the accounting system. When are the new guidelines coming out for Microenterprise? There are so many differences from the old Grants Management Manual and HUD's Toolkit that it's getting quite confusing.

Answer:

While HCD updates the economic development chapter of the GMM (Chapter 10), please reference the HUD Microenterprise Toolkit. Assistance for microenterprises is fairly flexible and a Point-of-Sale system could be allowable per HUD regs, provided grantees allow this type of cost in their program guidelines. As a reminder, grantees are responsible for defining eligible expenses in program guidelines. Please contact your Grant Administrator or HCD Rep for specific questions that are not answered on the HUD exchange.

Microenterprise Grant Expenses

Question:

Microenterprise Grant expenses: For equipment: Under the microenterprise toolkit for HUD this would be allowable. Under HCD it's not as grants cannot be used for tangible items.

Answer:

HUD guidance should be used. Parameters have been put in place via Appendix H and Appendix M. Outside of these parameters, you do not need to refer to the old GMM and can instead use HUD guidance or general CDBG program guidelines. The old GMM is no longer in effect.

Microenterprise: LMI

Question:

Can a microenterprise grant be LMI jobs and not LMI owner? The HUD Microenterprise Toolkit states yes. The old GMM says no.

Answer:

The old GMM is not in effect, please defer to the HUD toolkit. IDIS set-up is still a barrier that staff is working through.

ED Loans

Question:

Could you please provide a reference to the regulatory language that prevents advances so that we can better understand how likely a work around would be. If advances are not approved, has HCD considered internal adjustments to allow for when during the loan review process a funds request can be submitted for an ED loan and a means to improve the processing time for funds requests. The current slow turn around for processing funds requests jeopardizes ED loan programs if the approved borrower has to wait 6+ weeks to get funded.

Answer:

We totally understand your frustration with this matter. This is a requirement listed at California Government Code 925.6. HCD is exploring ways to address this matter, but it will likely take some time, and may require legislative action.

Training Suggestion

Question:

I think an interesting training in the future would be procurement/purchasing of software services. This is not as straight forward as say, hiring a local contractor or inspector or professional service. Cal DGS has some agreements with NASPO, the nat. assoc. of state procurement officials, that pre negotiates a lot of software packages, but everything still has to conform with 2 CFR 200 and requires an ICE, which is hard when comparing software systems if you're not a tech expert.

Answer:

Thank you for this suggestion. We are currently putting together a training calendar. We will see if this can be added to the list of trainings.

From: Office Hours 12/1/21

2022 NOFA OTC Applications

Question:

If new OTC applications will not be allowed in the 2022 NOFA, our jurisdiction would like to apply for a different CDBG activity than we had planned. It takes local jurisdictions some time to plan for this. Can you advise whether new OTC applications will be allowed in the 2022 NOFA?   Thank you in advance.

Answer:

No there will not be any new OTC applications allowed in the 2022 NOFA.

Financial and Activity Reports

Question:

When does HCD want us to start submitting monthly reports? We just submitted documentation to clear general conditions for 2 public service activities this week.

Answer:

Per the Standard Agreement, only quarterly reports are required. It is our strong recommendation that monthly reports are submitted, but this is not a mandate.

2022 NOFA Timeline

Question:

When does HCD plan to release the 2022 NOFA? Approximately 3rd week of January?

Answer:

Yes, the 2022 NOFA timeline will be similar to the 2021 NOFA timeline.

Micro-purchase Procurement

Question:

I was just given guidance that micro-purchase procurement is $3,500. I thought this was updated in August 2020 to $10,000 and that is what is in CH 5 of the new GMM. Is the threshold for software development different?

Answer:

You are correct, the micro-purchase procurement was updated in August 2020. You can rely on Chapter 5 and defer to the $10,000 micro purchase cap.

HUD.gov: Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance

Questions and Answers