



Chapter 1: Program Overview

Overview

The California Office of Housing and Community Development (HCD) administers the State of California’s annual federal allocation of Community Development Block Grant (CDBG) funds for eligible municipalities.

The Community Development Block Grant (CDBG) Program is designed to provide assistance to units of general local government (Grantees) in improving economic opportunities and meeting community revitalization needs, particularly for persons of low and moderate income. The CDBG program has been funded through the State since 1982 by the U.S. Department of Housing and Urban Development (HUD) under the Housing and Community Development Act of 1974, as amended (Title I).

The CDBG program is governed by Title I of the Housing and Community Development Act of 1974, as amended, and implementing regulations for the State Program at 24 CFR Part 570, Subpart I. All CDBG activities must be carried out in accordance with the requirements of Title I, Subpart I, the State Consolidated Plan, created in accordance with 24 CFR Part 91, and this Program and Application Guide.

Section 1.1 Consolidated Plan

The Consolidated Plan, which is updated annually and submitted to the U.S. Department of Housing and Urban Development (HUD), covers programs such as the Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME) and the Housing Opportunities for Persons with AIDS (HOPWA) program.

[24 CFR 91.300-330](#)

California’s Consolidated Plan (often called the “Con Plan”) is a five-year plan that examines the housing and community development needs of the states non-entitlement jurisdictions. HCD engages local governments and other housing and community development advocates, both in the process of developing and reviewing the proposed plan, and as partners and stakeholders in the implementation of HUD funded programs. By consulting and collaborating with other public



and private entities, Grantees can align and coordinate community development programs with a range of other plans, programs and resources to achieve greater impact.

The California Consolidated Plan and individual Annual Action Plans can be found on the HCD website [here](#).

Section 1.2 State Citizen Participation

The Citizen Participation Plan sets forth the policies and procedures for public involvement in the State of California’s consolidated planning process. The Department of Housing and Community Development (HCD) is responsible for the development and implementation of the Consolidated Plan. The Citizen Participation Plan contains the required elements listed in the Consolidated Plan regulations in accordance with Section 104(a) of the Housing and Community Development Act of 1974 as amended as well as both 24 CFR 91.110 and 24 CFR 91.115. The purpose of the Citizen Participation Plan is to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of: decent housing, suitable living environments, and expanded economic opportunities.

24 CFR 91.110
24 CFR 91.115

The California Citizen Participation Plan can be found on the HCD website [here](#).

Section 1.3 Overview of the Application Process

Every January CDBG releases the NOFA for the upcoming annual allocation. An application form is made available to Grantees in eCivis grants network. The application involves description and documentation that the threshold criteria of the CDBG program has been met. There are usually both competitive and over the counter (OTC) applications for community development and economic development although this varies year to year based on need, feedback from stakeholders, and prior year expenditure rates.

The state CDBG program uses a Notice of Funding Availability (NOFA) application process in which eligible cities and counties apply for funding awards for a variety of programs and projects intended to align with the goals and priorities identified in the Consolidated Plan, which is a 5-year plan that lays out the plans of federal expenditures based on identified needs and goals. Federal requirements mandate a set aside for Colonias, for which the state sets aside five percent



of its allocation each year.

Additionally, state statute requires that at least 51 percent of HCD's CDBG allocation from HUD be made available to housing and housing related activities; 30 percent shall be set aside for Economic Development (ED) projects and programs; five percent shall be set aside for Colonias; and at least 1.25 percent of the total amount of funds shall be set aside for eligible Native American activities benefiting non-federally recognized Native American communities or tribes. Separate applications are made available for tribal and Colonias set asides, for Housing and Housing related activities and for Economic Development activities.

Section 1.4 Grant Award and Agreement

Submitting a CDBG funding application to HCD results in either an award or a notice of non-selection. Communities that are selected to receive a grant are sent an approval letter. This begins the process of setting up the grant and ensuring that all contractual documents are in place. The steps in the process for newly awarded grants are described below.

Steps in the Process

Setting up a new CDBG grant award involves a number of steps. These steps are outlined below.

1. HCD will send out the award letter via email. After the award letter is sent out, the Standard Agreement routing process starts through the eCivis grants network. After approval, the Standard Agreement is packaged through eCivis and HCD sends it to Grantees with instructions on how to respond.
2. The Grantee will print the Agreement to be signed by the person identified in the local resolution submitted with the Application.
3. Executed copies of contract documents must be uploaded to the eCivis Grants Network within 30 days from the date of the letter.
4. HCD processes and executes the Standard Agreement through the FISCAL system and defines all effective dates.
5. HCD retains the original copy of the Standard Agreement and sends a fully executed copy of the signature page back to the Grantee, via email, for its records.

NOTE: The Grantee should NOT submit an incomplete Agreement package.



Section 1.5 Overview of Grant Management Manual

The purpose of this guide is to:

- Assist grant administrators in the day-to-day administration of CDBG projects.
- Provide practical information on how to implement a CDBG project that will meet legal, financial, and program obligations.
- Provide the grant administrator with a simple step-by-step approach for the implementation of CDBG-funded projects, including grant approval, set-up, compliance with applicable requirements, audits and close-out.
- Provide tools to assist in CDBG project implementation. The tools include tips, lists, forms, and sample documents that are in the chapter or in the attachments to each chapter.

NOTE: HCD reserves the right to make exceptions to any non-statutory and non-regulatory requirements in the GMM.

This handbook is organized by major topic. All applicable forms referred to in the handbook are located at throughout the chapters and listed by chapter as Exhibit B to this manual. The major topics include:

1. Program Overview
2. National Objectives and Eligible Activities
3. Grantee Requirements
4. Environmental Review
5. Financial Management
6. Procurement and Contract Requirements
7. Labor Standards
8. Acquisition
9. Relocation
10. Economic Development



11. Reporting and Recordkeeping

12. Monitoring and Closeout

Exhibit A: Glossary (Definitions)

Exhibit B: List of Attachments

Note, however, that this document is intended as a guide and reference, not as a substitute for thorough knowledge of State and Federal laws and regulations referenced herein.

Though not all-inclusive, this guide covers the major areas of CDBG administration, provides required and suggested forms and instructions, and provides references for applicable State and Federal laws and regulations.

As necessary, revisions or additions to this Guide will be issued via Circulars. This guide will be retained and kept up-to-date on a yearly basis to ensure effective administration of CDBG grants. The current version of the guide can be found on the HCD website [here](#).

Other Resources and Information

It is very important to note that the applicable regulations and requirements are subject to change. Grantees are responsible for ensuring that they are in compliance with all applicable rules. This can be accomplished by periodically checking the websites listed below to see if updated or revised regulations have been issued:

HUD Exchange State CDBG Program:

<https://www.hudexchange.info/programs/cdbg-state/>

HUD Exchange State CDBG Program Guides, Tools and Webinars:

<https://www.hudexchange.info/programs/cdbg-state/guides/#guides-and-training-manuals>

HUD Office of Community Planning and Development (CPD) Training:

<https://www.hudexchange.info/trainings/>

HUD-CPD Notices:

<https://www.hudexchange.info/programs/cpd-notices/#2021>

Guide to National Objectives and Eligible Activities for State CDBG Programs:

<https://www.hudexchange.info/resource/2179/guide-national-objectives-eligible-activities-state-cdbg-programs/>



CDP Income Calculator:

<https://www.hudexchange.info/incomecalculator/>

HUD Office of Healthy Homes and Lead Hazard Control:

https://www.hud.gov/program_offices/healthy_homes

HUD Office of Labor Standards and Enforcement (OLSE):

https://www.hud.gov/program_offices/davis_bacon_and_labor_standards

HUD Office of Environment and Energy (OEE):

<https://www.hudexchange.info/programs/environmental-review/>

For more information or assistance, Grantees are encouraged to contact HCD staff.