

CDBG Office Hours

Team HCD CDBG

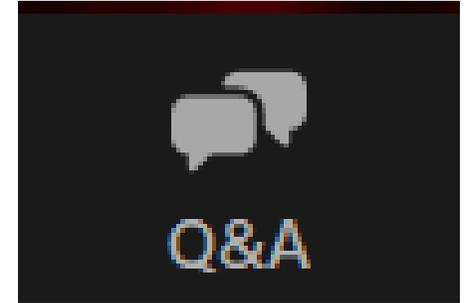
Wednesday, September 6, 2023





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





CDBG Program Updates

2022 CDBG NOFA

- 42 Recommended for Award
- 1 Awaiting Corrections
- 6 Pending Final Approval
- 11 Routing
- 24 Approved

2023 CDBG NOFA

- Projected 2023 NOFA drop date: September 2023 – OTC Waitlist Only (approx. \$19M)

2024 CDBG NOFA

- Projected 2024 NOFA drop date: January 2024 – Competitive and OTC (approx. \$48M)



Upcoming Fraud, Waste, and Abuse Training

HCD is hosting a **Fraud, Waste, and Abuse Training** to assist staff and grantees in identifying and avoiding fraud, waste, and abuse of federal funds.

Wednesday, September 27th

10am – 11am pacific

Register through ICF provided Teams link

All current CDBG grantees will be asked to attend and/or certify that they have watched the posted recording if they are unable to attend.

City of Firebaugh New Fire Station

Ben Gallegos
City Manager, City of Firebaugh
September 6, 2023





Activity Details

- City of Firebaugh, California
- Congressional District 13 /State Assembly District 27
- Public Facility
- Resources:
 - CDBG: \$4,066,094



Activity Summary

- Design & Construction of a 6100 sq ft 3 ½ bay firehouse
- Training Facility onsite
- Installation of infrastructure including curbs, gutters, sidewalks, landscaping and lighting.





Partner Engagement



- City of Firebaugh City Council
- Ben Gallegos, City of Firebaugh City Manager
- John Borboa, City of Firebaugh Fire Chief
- HCD CDBG Program, Funder
- Adams Ashby Group, Grant Administrator
- Ardent General Inc, Contractor
- Integrated Designs, Architect



Impact

- The new fire station will accommodate modern trucks and equipment resulting in faster response times to emergencies.
- Serves more than 8,500 people within City of Firebaugh and surrounding rural areas
- Sixty One percent of the households in the City of Firebaugh served by this fire station have incomes at or below 80% Area Median Income.



Impact

“Our team feels this new fire station is payback to all the hard work we’ve put in.”

- Michael Molina, Fire Chief and Public Works Director





Activity Status

- Fully Operational on August 3, 2023
- Grand Opening-Ribbon Cutting Ceremony was August 4, 2023.





Thank you!

- Ben Gallegos
- City Manager
- 559-659-2043
- Bgallegos@firebaugh.org

Questions and Answers: Recap from Prior Office Hours





Over The Counter Grants Pt. 1

Question

Our small city is building a regional Cultural Visitor Center for the purpose of economic development & revitalization. The cost is approximately \$5 million. I've been told it needs to be an "OTC" grant request and done in January 2024. Correct?

Answer

Yes, that is correct. The 2023 NOFA is for the waitlisted applications. In 2024 we will open up to new applications, both OTC and competitive.

From: Office Hours 8/23/23



Over The Counter Grants Pt. 2

Question

For those who are currently or have finished planning grants for public works, how will the OTC grants be handled if a jurisdiction applies for implementation funds but hasn't been awarded because the application has never been submitted in time based on the 1st come 1st served basis and the jurisdiction is in jeopardy for returning funds because implementation has begun within 5 years of planning?

Answer

Hopefully, grantees finishing a planning grant means you'll be ready to apply in 2024. HCD will not be able to treat any application differently if they are a planning grant, as they are still first come, first serve. If you don't get to apply in time before the funding cutoff, you will need to apply for the next coming NOFA. HCD does not currently give preference or extra time to grantees who have completed CDBG funded planning grants for implementation. Furthermore, HCD is seeking some guidance from HUD on what the minimum requirement is for meeting a National Objective for Planning Grants. More on this soon.

From: Office Hours 8/23/23



Over The Counter Grants Pt. 3

Question

As a beginner, I need to understand OTC vs competitive. Can you please help? Also, what is the “wait list” process starting September?

Answer

OTC stands for Over-the-Counter, which is first-come, first-served. The competitive process is a scoring/ranking application process. Please note that we are no longer going to have a waitlist in future. In the September 2023 NOFA we are going to fully fund applications that were on the 19/20 waitlist, and then will no longer have a waitlist. We will no longer be having “the waitlist” so you will no longer hear that terminology moving forward as the process will move to a first-come, first-served system. Once funds are exhausted on accepted applications under the current NOFA cycle, you will need to re-apply in the next NOFA cycle if you do not receive funding.

From: Office Hours 8/23/23



Over The Counter Grants Pt. 4

Question

Is there a maximum amount for OTC application submission and grant amounts?
This is for the 2024 NOFA in January.

Answer

Yes, we are likely going to use the same limits as originally proposed for the 2023 NOFA, for which the maximum is \$3.5 million per project and per jurisdiction. We plan to have a listening session sometime in October, so we will solicit feedback before publishing the January 2024 NOFA.

From: Office Hours 8/23/23



Over the Counter Grants Pt. 5

Question

I think that the issue is that if the OTC funding is going within minutes when the application period opens, it could be impossible to get funding based on the first come first serve.

Answer

Thank you for this comment, we are taking this into consideration. Since the application is not going to be opened for you to be able to review, we are working on a system to enable us to share the questions that will be included in the application, so that you can have a better idea and prepare. We recommend that all cities and counties interested in submitting an application make sure that they are signed up on our email list and come to Office Hours regularly and stay engaged with your HCD representative so that you are in the know for all the new announcements.

From: Office Hours 8/23/23



Planning Activity Grant

Question

In follow-up in the 5th year of application for implementation for OTC and the jurisdiction still hasn't submitted on time for the funding in 1st come 1st serve, the jurisdiction will have to refund the planning grant?

Answer

Whether physical construction must result from the plan produced from a planning grant depends on the originally intended National Objective and what the planning grant was used for. If a planning grant was used for an activity that was truly pre-development and not planning (for example, Architectural and Engineering design plans) then a project must be completed to fulfill a National Objective, and the timeline HCD wants to see is 5 years from the date of plan completion. If a planning grant was used for an activity that was truly a planning activity (Feasibility study, specific plan, area plan, etc), then it is possible that a National Objective was met just by completing the plan. Generally, this is the case ONLY when the National Objective being met is LMA or, in some cases, LMC. We are working to streamline a clear process of reporting and additional guidance that offers more clarity for Planning Grants so expectations are clear at the time they are awarded. At this time, if you have questions about your particular planning grant, please reach out to your CDBG Representative and we will discuss your particular situation.



Economic Development/Revitalization

Question

Our project is a combination of Economic Development/Revitalization but also a portion is simply moving City offices. Can we not turn to CDBG for the latter?

Answer

Costs associated with the general operations of government are prohibited from reimbursement through CDBG funding. It is unlikely that CDBG funds can pay for the cost of moving City offices, however you are welcome to reach out to your HCD rep to receive specific guidance as to whether this would be an eligible cost.

From: Office Hours 8/23/23



Status of GMM Chapters, Tools, and Appendices

Question

Is there an ETA for Chapter 6 and 10 of the HCD Grants Management Manual? Also are the tools and appendices up to date?

Answer

We just met with our team recently and both of these Chapters are going through the State's accessibility and compliance team. Appendix E should be out very shortly, Chapter 10 after that, and Chapter Six in a few weeks. The tools are up to date, and we are continuing to add tools as we finalize them. If you notice any formatting errors or typos, please let us know, and we will get them corrected.

From: Office Hours 8/23/23



Application Readiness

Question

Please provide general advice in the coming 4 months, for example working with our regional CDBG representative, for being ready for applying for my new project at January. E.g., new running shoes on the starting line?

Answer

In October, HCD is hosting a listening session and attending is the first best step. If you are registered for office hours and the newsletter, you will receive an invite. Also contact your rep for additional information.

From: Office Hours 8/23/23



Section 3 Pt. 1

Question

Regarding Section 3 qualitative efforts, the HUD Portal for Section 3 is going away, which is where we typically have contractors go and register to ensure we are meeting qualitative efforts. How do we ensure meeting requirements when a contractor states they aren't making any new hires, and we can't have them at least register on this portal now.? Any thoughts or real work examples?

Answer

HUD is closing the SPEARS system which is the portal used to track section 3 reporting back when the old rule followed new hires. Because the new Section 3 Rule is no longer tied to the number of new hires, that data is no longer relevant in the reporting for Section 3 compliance. Now, we must report the total number of labor hours, the number of Section 3 worker labor hours, and the targeted Section 3 labor hours. We also check to see if businesses are Section 3 businesses. In April, HCD/ICF conducted training and reviewed all the new reporting requirements. We also have the Grant Management Manual appendices. Appendix 5-1 is a Section 3 worker self-certification and Appendix 5-2 is a Section 3 business self-certification. These types of forms should be filled out at procurement to document whether your workers are Section 3. We also recently shared a tool, Appendix 5-11, that is a Section 3 tracking form to help at the local level to track hours throughout the project. The qualitative efforts are required to be tracked if you don't meet the benchmarks. You can't just skip the hours reporting; you must report the total labor hours on a construction project and the breakdown of Section 3 and targeted Section 3 workers. If you don't meet the 25% Section 3 and 5% targeted Section 3 benchmarks, then you would need to complete a qualitative effort. This is just a list of a variety of things that local communities can do to expand and enhance economic opportunities for local low-moderate income workers. All Section 3 compliance now will be collected at grant closeout. Part of the closeout packet will ask for those total labor hours, your breakdown of Section 3 and targeted Section 3 workers, and your qualitative efforts. Grantees don't need the HUD portal for any of this and businesses would just need to fill out Appendix 5-2 business certification for recording that documentation. There are many resources available on the HCD website and shared and linked in the HCD newsletter.



Section 3 Pt.2

Question

Small rural community contractors do not have Section 3 workers as they are working on prevailing wage jobs. Therefore, they all need to do qualitative efforts.

Answer

Yes, this is true under the new Section 3 Rule. If you reference the closeout packet and the training, it's titled Section 3 Qualitative Efforts Description. We will soon add this as a separate tool for the GMM because the qualitative efforts are something grantees should be working on ongoing, so you don't have to scramble at the end to complete your closeout packet. In the meantime, you can request a copy from your Grant Administrator or CDBG Representative. For clarification: There are Section 3 workers and targeted Section 3 worker benchmarks to meet. If you don't meet those benchmarks, the grantee, the actual recipient of the CDBG funds, needs to certify that at least one qualitative effort has been made. This does not have to be on a per project, contractor, or subcontractor basis, and it does not have to be the sole responsibility of the general contractor. These actions can be taken at the jurisdiction level or through the entity coordinating with the jurisdiction. We understand this is a difficult rule to comply with in rural communities. Therefore, we recommend you find the item on the form that best serves the needs of your community. Your community may already be doing something at the community level and the requirement under Section 3 is that the jurisdiction affirms the qualitative effort.

From: Office Hours 8/23/23

Questions and Answers:
Please submit your question(s) via Zoom
Q+A

