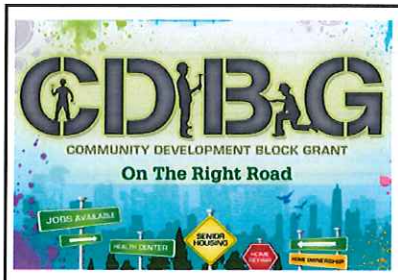
8/04/15
City Council Meeting

Handouts received after agenda posted



Tom Brandeberry
Section Chief
State CDBG Program
Lemoore Senior Center Project

Community Development Block Grant (CDBG)

- ✓ **HUD Funded:** *The State gets an annual allocation and releases a competitive NOFA each year.*
- ✓ **Multiple & Varied Fundable Activities:** *See Matrix in Binder.*
- ✓ **National Objective:** *A CDBG Activity is only eligible if it meets a National Objective (See Matrix in Binder).*

Community Development Block Grant (CDBG)

FEDERAL OVERLAYS

There are Many Federal Overlays But for CDBG the Four Most Important are:

1. **NEPA (National Environmental Policy Act (24 CFR Part 58)**
2. **Davis-Bacon Prevailing Wage (multiple acts/regulations)**
3. **Procurement (24 CFR Part 85.36)**
4. **OMB (2 CFR Part 200)**

Community Development Block Grant (CDBG)

PROCUREMENT

It's the only way to pay an individual or entity with CDBG funds outside of a City employees or Subrecipients

- ✓ New Chapter on CDBG webpage
- ✓ Key Rules:
  - ✓Open, Fair and Competitive
  - ✓Four Methods of Procurement
  - ✓Grantees May Not Restrict Competition

Community Development Block Grant (CDBG)

PROCUREMENT

Restrictive Competition *Continued*

Examples:

- ❑ Placing unreasonable requirements on firms
- ❑ Non-competitive practices between firms
- ❑ Organizational conflicts of interest
- ❑ Including unnecessary experience and bonding requirements
- ❑ **Quid Pro Quo** (This for That)

Community Development Block Grant (CDBG)

Procurement Vs. Subrecipient

- ✓ Procurement is a competitive Process
- ✓ Subrecipient is **not** competitive but limited to Non-profits

- ❑Once a Contractor is Hired the Contract and its Scope of Work Controls
- ❑Subrecipient must act as the City and ***all*** Federal Overlays apply (they must procure, for example)

Community Development Block Grant (CDBG)

CDBG Public Facilities

Acquisition, rehabilitation or new construction of buildings and grounds

Example - Senior Center, Food Bank, Homeless Shelter, Library or Fire Station.

Must support eligible CDBG Public Service activity

Maintenance is not allowed. Maintenance is defined as routine protective and preventive measures designed to extend the life of a given structure or improvement. Examples: cleaning, painting, re-flooring, etc.

Community Development Block Grant (CDBG)

CDBG Public Facilities *continued*

- CDBG Public Services are available pay the eligible costs of services that are operated out of the Senior Center.
- However, CDBG cannot pay for the Operation of a Facility".

No Change of Use: Minimum 5 years *but* State CDBG say years should be determined based on the amount of CDBG funds in the project.

To ensure leverage, the Department requires grantees to "loan" the funds to the non-profit owner of the facility. This is the best "instrument" for both the grantee and the facility owner/operator.

This is not necessary when the facility is owned by the grantee.

Community Development Block Grant (CDBG)

National Objectives

There are three National Objectives:

1. Benefit Low/Mod Individuals and Families
2. Slum and Blight
3. Urgent Needs

Community Development Block Grant (CDBG)

National Objective: Low/Mod Benefit (Four)

1. Area Benefit
2. Limited-Clientele
   A. *Include Presumed Low/Mod*
3. Low/Mod Housing
4. Low/Mod Jobs

Community Development Block Grant (CDBG)

Project Readiness

While Readiness is important, there is only so much you can do before the award is made.

Mapping the Process

Department Staff are working with City Staff to map out:

1. The project from now to completion; and,
2. The steps and tasks needed get the project finished.