

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FEDERAL FINANCIAL ASSISTANCE**

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January 31, 2024

MEMORANDUM FOR: All Potential Applicants

FROM: Sasha Hauswald, Deputy Director
Division of Federal Financial Assistance

**SUBJECT: 2023 Community Development Block Grant Program
Notice of Funding Availability – Amendment #1**

The California Department of Housing and Community Development (Department) is announcing the release of an amendment to the Community Development Block Grant (CDBG) Program 2023 Notice of Funding Availability (NOFA) issued on September 29, 2023. The original NOFA was for approximately \$19 million in federal funds for the Community Development Block Grant Program only for applications from projects that remain on the waitlist established for Over-the-Counter projects after the 2019-2020 CDBG NOFA. **This Amendment #1 makes available another \$19 million for Housing, Community Development, and Economic Development Projects in an Over-the-Counter process.**

Funding for this NOFA is available to the state from the United States Department of Housing and Urban Development (HUD), pursuant to the Housing and Community Development Act of 1974, as amended, and 24 Code of Federal Regulation (CFR) Part 570 Subpart I "State Community Development Block Grant Program." These regulations require the state to make funds available to the state's non-entitlement Units of General Local Government (UGLGs). Units of General Local Government are defined by HUD as political subdivisions of the state, which in California are towns, cities, and counties. Only non-federally recognized Tribes can receive funding through applications submitted by non-entitlement Units of General Local Government. No direct funding from the Department can be provided to Tribes, Tribally-Designated Housing Entities, or nonprofits.

To award the balance of available 2023 funding, the Department is amending the original September 29, 2023 NOFA as follows:

1. To make an additional \$19 million available for Housing, Community Development, and Economic Development Projects. Applications for new projects are due on or before **Tuesday, April 30, 2024.**

2. To include in the additional \$19 million available, a 5% set-aside for Colonias as required under Section 916 of the National Affordable Housing Act
3. To include in the additional \$19 million available, a 1.25% set-aside for Non-federally recognized Tribes as required by HSC 50831.

Applicants are encouraged to set-up profiles in the eCivis Portal at [eCivis Portal | Login](#) as early as possible. Profile set-up instructions and other technical assistance can be found in the [eCivis Grants Network External User Manual](#) found on the [Department's CDBG webpage](#) under the "Resources" tab.

Applicants are encouraged to begin the application process early to ensure successful submission before the application deadline. If you have issues logging into the portal or have questions on how to complete the online application, please contact the Department at cdbg@hcd.ca.gov.

To receive CDBG program NOFA FAQs, emails, and other information and updates, please [sign up for emails](#) and check the "Federal Programs" box. **If you have any questions, please submit them to cdbg@hcd.ca.gov.**

All activities in this NOFA are subject to availability of funds and continuing HUD and legislative authority.

Attachments

Community Development Block Grant Program 2023 Notice of Funding Availability



**Gavin Newsom, Governor State of
California**

**Tomiquia Moss, Secretary Business, Consumer
Services and Housing Agency**

**Gustavo Velasquez, Director
California Department of Housing and Community Development**

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September 29, 2023

Amended January 31, 2024

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II. Overview

A. Notice of Funding Availability

The California Department of Housing and Community Development (Department) announces the availability of approximately ~~\$49.38~~ million in funding available through the federal Small Cities Community Development Block Grant Program (CDBG) for the 2023 funding year.

Under this NOFA as amended, \$19 million in CDBG funds are provided as grants to Non-Entitlement Units of General Local Government (UGLGs) for project applications for CDBG-eligible activities that were waitlisted under the 2019-2020 Over-the-Counter waitlist (Waitlisted Projects), and pursuant to this Amendment, another \$19 million in CDBG funds are provided as grants to Non-Entitlement Units of General Local Government (UGLGs) for applications for new CDBG-eligible Housing, Community Development, and Economic Development Projects (New Projects) in an Over-the-Counter process.-

All CDBG activities must meet one of the following National Objectives:

- Benefit low- and moderate-income persons
- Aid in the prevention or elimination of slums and blight
- Meet certain urgent community needs

The objectives of the CDBG program are to develop viable communities by the provision of decent affordable housing, a suitable living environment, and to expand economic opportunities, principally for the benefit of Low- and Moderate-Income (LMI) persons, families, households, and neighborhoods.

Applicants are expected to plan activities that will reduce disparities and increase racial and socioeconomical equity in their communities. Applicants are to ensure all eligible persons receive equitable access to services, and are served with dignity, respect, and compassion regardless of circumstance, ability, or identity, which includes marginalized populations, including but not limited to, Black, Native and Indigenous, Latinx, Asian, Pacific Islanders and other people of color, immigrants, people with criminal records, people with disabilities, people with mental health and substance abuse vulnerabilities, people with limited English proficiency, people who identify as LGBTQ+, and other individuals that may not traditionally access mainstream support.

All applications will be reviewed for completeness and compliance with state and federal requirements. Only complete and compliant applications will be eligible for application review, approval, and potential funding.

B. Tentative Estimated Timeline

<u>Original</u> CDBG NOFA and application release	September 29, 2023
Application <u>for Waitlisted Projects</u> opens for submittal	October 30, 2023
Application <u>for Waitlisted Projects</u> deadline	-When funds are exhausted or 60 days from application open date, whichever comes first
HCD announces awards <u>for Waitlisted Projects</u>	Rolling basis (January – April 2024)
Contract Execution <u>for Waitlisted Projects</u>	Rolling basis (March – May 2024)
<u>Expenditure Deadline</u>	-2 years, 9 months from contract execution
<hr/>	
<u>CDBG NOFA amendment for New Projects</u> release	<u>January 31, 2024</u>
<u>Application for New Projects</u> Opens for Submittal	<u>March 1, 2024</u>
<u>Application for New Projects</u> deadline	<u>When funds are exhausted or 60 days from application open date, whichever comes first</u>
<u>HCD announces awards for New Projects</u>	<u>Rolling basis (May – July 2024)</u>
<u>Contract Execution for New Projects</u>	<u>Rolling basis (July – September 2024)</u>
<u>Expenditure Deadline</u>	<u>-2 years, 9 months from contract execution</u>

Applications submitted before the application start open date or after the respective due date or closing date will not be accepted. There will be no exceptions. The Department **recommends Applicants plan to submit their application(s) well before the application deadline** to provide opportunity for troubleshooting if needed.

Each application will be digitally time-stamped upon submittal.

If theis NOFA is undersubscribed, unawarded funds will be made available under the a subsequent NOFA ~~January 2024 Competitive and Over the Counter NOFA~~. If funds become disencumbered between theis NOFA release and the application deadline, the disencumbered funds will be made available to Waitlisted or New Projects under this NOFA. If disencumbered funds exceed applications, the disencumbered funds will be made available under the January 2024 Competitive and Over the Counter a subsequent NOFA.

C. What is new in this NOFA

This is a limited NOFA.- Funding will only be made available to shovel-ready projects from the OTC-waitlisted projects (Waitlist Waitlisted Projects) submitted under the 2019-2020 NOFA and new shovel-ready Housing, Community Development, and Economic Development Projects (New Projects). -

- Waitlist Applicants will have 60 days from the applicable application open date to submit a complete application.
- After the 60-day period, the application will close and no additional applications or changes will be accepted.
- Awards will be made on a first-come, first-served basis.
- Waitlisted Project aApplicants will only be allowed to apply for up to the originally applied for amount of funds. Any cost increases must be covered by other funding sources or scope must be reduced to fit within the available budget. Applicants who applied for funding for a Waitlisted Project may also apply for funds for a New Project.
- Each jurisdiction can apply for one (1) New Housing, Community Development, and Economic Development Projects (New Projects) will be allowed to apply for one (1) application per jurisdiction in an amount not to exceed \$3.253 million.
- All Applicant projects must pass threshold, including sufficiently demonstrating readiness as detailed in the threshold section of this NOFA.
- There is expected to be sufficient funding available to fund all Waitlisted Projects, but projects will only be funded if they meet threshold requirements prior to the application deadline.
- The Standard Agreement term has been adjusted to require full expenditure of funds within 33 months (2 years 9 months), leaving 90 days (3 months) for final reimbursement and activity closeout.
- State Objectives have been removed from the Threshold criteria and have been replaced with questions on how the applied for activity “Affirmatively Furthers Fair Housing” and supports Disaster Resiliency.
- All Applicants and Applicant partners must not be debarred, suspended, proposed for debarment, declared ineligible, voluntarily excluded from participation, and/or unregistered in SAM from federally-assisted programs. However, submittal of an incomplete or incorrect debarment check will no longer disqualify an Applicant. HCD will work with Applicants to ensure correct submittal of debarment checks for Applicants and all Applicant Partners before award of funds.
- If project/activity is in a public right of way or easement, Applicant must submit an opinion of counsel that all rights, easements, and permits have been obtained.
- Successful Applicants will be subject to requirements of phased

implementation of the [federal](#) Build America, Buy America Act (BABA). For 2023 CDBG funds, covered infrastructure projects will have to use iron and steel produced in the United States.

- Applicants will be required to certify participating in the CDBG Application training to apply for [funding under this](#)~~the 2023~~ NOFA [funding, as amended herein](#).

D. Authorizing Legislation

Funding under this NOFA is made available pursuant to the Housing and Community Development Act of 1974. This NOFA should be read in conjunction with the following statutes, regulations, and guidelines that establish state and federal CDBG requirements. Relevant legal authorities include, but are not limited to, the following:

- [24 Code of Federal Regulations \(CFR\) §570.480, et. Seq.](#), Federal CDBG Regulations
- [24 CFR Part 58](#), Environmental Review Procedures
- [2 CFR Part 200](#), Uniform Grant Administration Requirements
- [Health & Safety Code \(HSC\) §§50825-50834](#), State of California CDBG program
- [2020-2024 State of California Consolidated Plan](#)
- [2022-2023 State of California Annual Action Plan](#)
- [CDBG Program Guidelines, California Department of Housing and Community Development](#)

If there are changes to federal or state statutes or regulations, other laws governing the CDBG program, or funding is modified by Congress, HUD, the Department, or the state Legislature, these changes may become effective immediately and apply to funded activities under this NOFA.

Note: The Housing and Community Development Act of 1974 (HCDA) is codified as Title [42 U.S.C. §5301, et. seq.](#); thus, those citations are interchangeable and cite the same statute language. For example, the citation of HCDA 105(a)(22) and [42 U.S.C. §5305\(a\)\(22\)](#) are references to the same statute language. For the purposes of this NOFA, we will use the [42 U.S.C. §5301](#) citations for references to the federal statutes.

In administering this NOFA, if there is a conflict between the federal statutes or regulations and state statutes or guidelines, the federal statutes and regulations shall prevail. All activities in this NOFA are subject to availability of funds and continuing HUD and California legislative authority. The Department reserves the right, at its sole discretion and at any time, to rescind, suspend or amend this NOFA and any or all its provisions.

The Department will notify interested parties through listserv emails and by posting notification on the Department website if the Department rescinds,

suspends, or amends this NOFA. This NOFA is not a commitment of funds to any Activity or Applicant.

E. Allocation and Funding

Funds will be allocated in accordance with federal regulations found in [24 CFR §570](#) and state statute, as found in [HSC §50827, et seq.](#) For more information, please reference the [CDBG Guidelines, Section 200.](#)

The table below include the estimated percentage of Funding Allocations for the 2023 NOFA, as amended:

Funding Allocation	Percentage	Estimated Dollar Amount
State Operations	3% + \$100,000 <u>of 2023 CDBG Award from HUD Award</u>	\$670,000 <u>\$1,000,000</u>
Local Administration	7%	\$1,330,000 <u>\$2,660,000</u>
Over-the-Counter Awards to 2019-2020 Waitlisted Projects (Infrastructure, Public Facilities, Housing Projects, Economic Development Projects)	90 <u>45</u> %	\$17,000,000
<u>Over-the-Counter Awards to New Projects (Housing, Community Development, and Economic Development Projects Infrastructure, Public Facilities, Housing Projects, Economic Development Projects)</u>	<u>45%</u>	<u>\$17,000,000</u>
<u>Colonias Set-Aside (Section 916 of the National Affordable Housing Act)</u>	<u>Set-aside of 5%</u>	<u>\$1,500,000 (Included in the New Projects funding allocation)</u>
<u>Non-federally recognized Tribes sSet-aside (HSC §50831)</u>	<u>Set-aside of 1.25%</u>	<u>\$375,000 (Included in the New Projects funding allocation)</u>

***Note:** The amount of total funding available and the allocations of those funds are only estimates and are subject to change without notice. Funding awarded through this NOFA will have a 33-month (two (2) years and nine (9) months) expenditure and liquidation period.

Awards for New Projects will be limited to \$3.253 million per application, limit one (1) application per Jurisdiction, -except jurisdictions applying on behalf of a Colonia or a non-federally recognized Tribe which may additionally apply for funds under those set-asides allocations.

F. Definitions

Except as otherwise defined herein, all defined terms have the meaning set forth in [42 U.S.C. §5302\(a\)](#), [24 CFR Part 570](#) and the [State CDBG Guidelines.](#)

III. Program Requirements

All Program Requirements, Application, Application Threshold, and Initial Requirements set forth in Sections III-V must be met. Failure to ~~include~~ timely satisfy all of the requirements will result in disqualification.

A. Eligible Applicants

Only non-entitlement Units of General Local Government such as cities, counties and municipalities that had a ~~waitlisted Over the Counter application~~ Waitlisted Project under the 2019-2020 NOFA or are submitting an application for a new Community Development, Housing, or Economic Development Project are eligible to apply. Waitlisted Project Applications can only be submitted for previously-applied for waitlisted projects that have not yet been funded. Federally-recognized Tribes, non-federally-recognized Tribes and nonprofits may receive assistance only by entering into a subrecipient agreement*, a Memorandum of Understanding, or a contract with an eligible Applicant.

*A subrecipient agreement is a written agreement in effect for each subrecipient before giving out any CDBG funds and remaining in effect for the period during which a subrecipient has control over any CDBG funds, including Program Income. At a minimum, a subrecipient agreement must contain content required by the federal CDBG regulations at [24 CFR §570.503](#).

B. Non-Entitlement Status

CDBG program funds are provided as grants to Non-Entitlement Units of General Local Government (UGLGs). These UGLGs are encouraged to partner with federally- and non-federally recognized Tribes, districts, agencies, nonprofit service providers, and other community organizations, whenever appropriate, to prepare and submit applications for CDBG funding, and to administer and complete CDBG-funded programs and projects.

Incorporated cities located in an urban county as defined by [42 U.S.C. §5302 \(a\)\(6\)](#) must formally elect to be excluded from participation in the urban county entitlement status. HUD and the Department must be notified that the city has elected to be excluded from the urban county participation as per [24 CFR 570.307\(g\)](#) for it to be eligible for the state CDBG program. Only eligible activities from eligible Applicants will be considered for an award.

Applications for eligible activities outside the Applicant's Jurisdiction must include a legally binding agreement, acceptable to the Department, with the city or county in which the eligible Activity is located. Applicants may not apply to both the state CDBG program and to a CDBG program administered by an Urban County or other entitlement entity during the same program year.

C. Housing Element Compliance

As per [HSC §50829](#), the Applicant must submit a draft or adopted housing element to the Department in accordance with the requirements listed in [Government Code \(GC\)](#)

[§65580, et seq.](#), and [GC §65585](#) (see Appendix B) prior to an award being granted. ~~Per CDBG Guidelines, Section 202(d)(1), by the time of award funding, the applicant must have complied with all the Housing Element requirements listed in H.S.C. 50829 and 50830. Applicants that fail to comply with all the Housing Element requirements listed in H.S.C. 50829 and 50830 at the time of award w are ineligible for funding through the state CDBG program. Eligibility cannot be restored until the Applicant has met such requirements.~~

D. ~~Wh~~Growth Control Limitations

Applicants that have adopted growth controls, including, but not limited to, restrictions on residential building permits and residential buildable lots, that do not meet the exception criteria in [HSC §50830 \(b\) and \(c\)](#) are ineligible for funding as per [HSC §50830](#). Applicants intending to apply for CDBG funds are required to submit a signed 2023 CDBG Application Certifications and Statement of Assurances form that certifies the Applicant has not adopted any residential growth controls or adopted residential growth controls meet the applicable exception criteria. Failure to submit an executed Application Certifications and Statement of Assurances at the time of application will result in Applicant ineligibility.

E. Application Submittal

Applicants must meet the following requirements when the application is submitted to be eligible to apply for funding under this NOFA:

- An eligible Applicant may apply on its own behalf.
- An eligible Applicant may apply on behalf of one or more other eligible Applicants.
- Two or more eligible Applicants, which share an activity, may submit a joint application.
- An eligible Applicant may apply on behalf of an eligible subrecipient including a non-federally recognized Tribe or nonprofit.
- Awards for Waitlisted Projects will be limited to the amount previously applied for under the 2019-2020 NOFA.
- Awards for New Projects will be limited to one (1) application per jurisdiction in an amount not to exceed \$3.253 million.
- ~~—~~
- In addition to Activity and application limits identified in the is NOFA, an eligible Applicant may apply for activities in service areas within or outside of the Applicant's Jurisdiction when the Applicant is applying for funds set aside by the California State Legislative for non-federally recognized Tribes ([HSC §50831](#)) and/or Colonias.
- ~~— Awards will be limited to the amount previously applied for under the 2019-2020 NOFA.~~

F. Limits for Administration and Planning

1. Program Administration

The Department can use 3% of total funding for administration costs.

2. General Administration

Applicants may request up to a flat 7% of the total CDBG grant funding requested by that Applicant for General Administration (GA). GA costs may include, but are not limited to, the following categories:

- Salaries, wages, and related costs of the Grantee's staff engaged in activities associated with the general administration of the CDBG program, including general management, general legal services, accounting, and auditing.
- Travel costs incurred in carrying out the general management of the program.
- Administrative services performed under third-party contracts, including contracts for such services as general legal services, accounting services, and ad services.
- Costs for goods and services related to the general management of the program, including rental and maintenance of office space, insurance utilities, office supplies, and rental or purchase of office equipment.
- Costs incurred in providing information and resources to individuals, families, and households in the LMI group, and to citizen organizations participating in the planning, implementation, or assessment of the Grantee's program.
- Administrative funding can also be used for fair housing activities in compliance with the requirements of state [CDBG Guidelines §103](#).
- Completion of the NEPA Environmental Review Record for General Administration Activities (GA NEPA)
- All costs must be reasonable, necessary, allocable and otherwise allowable in relation to the administration of the CDBG award and in accordance with [2 CFR 200 Subpart E](#).
- If a cost cannot be associated with one of the above listed groups and cannot be associated with direct project costs, the Department will, upon the Grantee's request, review and determine whether it is an administrative cost, an Activity Delivery cost, or an ineligible cost according to [24 CFR §§570.489](#) and [§570.482](#).

The calculation to determine the maximum allowable General Administration amount is the amount of Activity expenses plus Activity Delivery expenses, multiplied by 7%.

Applicants may elect to assign more funds to Activity costs and take less than the 7% as their GA allocation.

GA for Program Income (PI) funds is **17% of the annual PI receipts for the most recently completed HCD Program Year (e.g., for PY 2023, receipts PY 2022 (July 1, 2022 – June 30, 2023)).**

For project budgets with both grant award and PI as funding sources, please identify how much GA will be from each source to ensure that GA stays within the appropriate program caps.

G. Activity Delivery

Activity Delivery Costs (ADCs) are any allowable costs incurred by the grantee for implementing and carrying out eligible CDBG activities that are separate from the cost of the actual activity (construction reimbursement, Economic Development loan payments, substance payments, etc.). All ADCs are allocable to a CDBG-eligible activity that meets a National Objective, including all costs integral to the delivery of the final CDBG-assisted activity. ADCs are not Administration or funds used for the general operation of CDBG programs, but rather the costs incurred to achieve the specific eligible activity and meet a National Objective. ADCs may include, but are not limited to:

- Costs for completing a project-specific environmental review and publication.
- Engineering/design/architectural services for the specific project
- Marketing for the specific CDBG program
- Applicant intake/assistance, staff time to sit with applicants to fill out an application or collecting income and application documentation.
- Completing reports or meetings for the specific CDBG grant

HUD does not establish a maximum ADC percentage, as the level of effort and reasonable costs for ADCs will vary by program type, location, and scale. While HCD is not establishing an ADC cap in this NOFA, this section is designed to provide grantees with guidance to ensure program costs and ADCs are reasonable and necessary. Past HUD trainings have indicated, that in general ADCs costs between 15-25%, are reasonable for most CDBG programs. This range can be considered a safe harbor for reasonable ADCs. However, there may be times when significant investment in outreach, application assistance, complex environmental mitigation, etc. could significantly increase the ratio between ADCs and Activity Costs. Grantees must ensure that proper documentation demonstrating that ADCs are cost reasonable and necessary is included in the program file if the ratio of those costs is outside of this safe harbor range.

ADCs are generally eligible as pre-agreement costs provided that the initial funding

for those costs is identified as a temporary funding source (such as a loan from a local fund whereby the loan is float-funding the CDBG Activity pre-agreement costs, but such costs must be repaid so that the temporary loaned funds may be used as originally intended) and that the costs are budgeted to be part of the CDBG Activity.

Note: ADC is NOT a separate category when completing the Budget in the eCivis Portal. If budgeting for ADC, ADC should be a line item under the “Activity” category for the Budget when completing the application.

H. Insufficient Demand

If there is insufficient demand under this NOFA, HCD will make the unused funding available under a subsequent NOFA.

I. Eligible Activities

For a complete list of eligible activities allowed under the HCDA, go to [42 U.S.C. §5305](#) and [Chapter 2](#) of the current version of the CDBG Grants Management Manual which is found on the CDBG page of HCD’s website.

J. Application Limits

Pursuant to both federal and state laws all CDBG costs must:

- (1) be eligible;
- (2) be necessary;
- (3) be reasonable;
- (4) demonstrate no duplication of benefit;
- (5) not be used to supplant local or state resources; and
- (6) be guarded against fraud

Each jurisdiction can submit applications only for the projects waitlisted under the 2019-2020 Waitlist (a Waitlisted Project) and for no more than one (1) application for a New Project during this NOFA cycle. The maximum award amount per jurisdiction is the amount previously applied for under the 2019-2020 NOFA for a Waitlisted Project, plus \$3.253 million for a New Project application. The \$3.253 million per jurisdiction limits do not apply to Colonias and Native American set-asides. Program Income (PI) included in an activity budget does not count against the jurisdiction’s maximum award limits.

Each Project must have a unique application with a complete budget, National Objective, scope of work, and milestone timeline.

Applicants are encouraged to review the sample draft Standard Agreement in

Appendix E as a sample of the applicable terms and conditions required for CDBG funded activities. The form and content of the sample draft Standard Agreement is subject to revision without prior notice.

IV. Application Requirements

A. National Objectives

CDBG-funded activities must meet one of three National Objectives:

- Benefit LMI persons
- Aid in the prevention or elimination of slums or blight
- Meet an urgent need

At least 70% of the funds awarded must benefit LMI individuals or households. No Activity or portion of a program assisted by these funds may exclude from its benefits the lowest income-eligible group. Individual activities must meet one of the following National Objectives which are defined and described in detail in [Chapter 2](#) of the CDBG Grants Management Manual:

1. Low- to Moderate-Income
2. Slums and Blight on an area basis (SBA) and on a spot basis (SBS)
3. Urgent Need

For the purposes of this NOFA, no Urgent Need applications will be accepted through the NOFA application process without prior Department approval. If you have a program or a project that meets the criteria of Urgent Need, as established by [24 CFR §570.483\(d\)](#) and you believe your proposed project or program must use Urgent Need as a National Objective to be program eligible, please contact your Department representative for further instructions.

Special requirements apply to Urgent Need. Please contact the Department for more information.

B. Milestones

All CDBG program-funded activities must be timely implemented in accordance with the milestones defined in the Standard Agreement. Applicants must include at least five (5) milestones per Activity application. The first and last milestone and the expenditure deadline will be prepopulated and cannot be edited by Applicants, nor can they be changed without a contractual signed amendment to the Department's Standard Agreement:

- First Milestone: Activity Initiation. Must be completed no later than 60 days from ~~contract execution~~ the Effective Date of the Standard Agreement.
- Milestone Two: [populated by Applicant – examples below]
- Milestone Three: [populated by Applicant]”
- Milestone Four: [populated by Applicant]
- Final Milestone: Activity closeout (must be completed no later than 90 days after the Expenditure Deadline.)

Additional milestones are optional, though encouraged for best practice of Activity implementation. Milestones may be adjusted for delays in application review and Standard Agreement execution. Applicants are encouraged to evaluate feasibility of meeting milestones and build time for unexpected delays into the milestone schedules. Milestones may not extend beyond the ~~T~~ term of the Standard Agreement. All milestones proposed by Applicants are subject to the review and approval of the Department in its discretion.

TIP: The Department realizes that Applicants’ proposed milestone dates are estimates. Instead of using an actual date for all optional milestones, please put a time frame.

For example:

Milestone Two: First submittal of a request for reimbursement no later than XX days from the effective date of the Standard Agreement~~contract execution~~.

Milestone Three: 50 percent completion no later than XX days from the Effective Date of the Standard Agreement~~contract execution~~.

Milestone Four:- Final Building Permits issued no later than XX days from the Effective Date of Standard Agreement

These milestones ~~can~~may be updated by your CDBG representative if changes ~~are needed~~ to be made.

C. Conditions

Applicants and awardees acknowledge that the funding opportunities referenced in this NOFA, and all obligations of the Department herein, are expressly subject to and conditioned upon the ongoing availability of funds, as well as the continued authority of the Department to operate the CDBG program. In the event that funds are not available, the CDBG Program or Act

under this NOFA is eliminated, or in any way restricted, the Department shall have the option, at its sole discretion, to amend, rescind, suspend, or terminate this NOFA and any associated funding pursuant to the provision set forth immediately above.

This NOFA is not a commitment of funds to any Activity or Applicant.

V. Application Threshold and Initial Requirements

All applications are required to pass threshold requirements. Over-the-Counter applications that do not meet threshold will not be reviewed for award and will be immediately disqualified.

The Department **strongly recommends** a careful review of the application and application instructions **PRIOR** to beginning the application.

A. Threshold Requirements

The following threshold requirements must be met at the time of application:

1. Applicant must be an **Eligible Applicant as defined under Program Requirements of this NOFA.**
2. Applicant must demonstrate to the satisfaction of the Department that it is compliant with the financial management requirements of [2 CFR §200](#).
3. Applicant must provide the Department with its most recent single audit (as submitted to the State Controller's Office), if applicable. **If the Applicant had or has single audit findings identified in the audit, the Applicant must include the remediation plan/agreement; the Applicant will be deemed ineligible for funding through the CDBG program until the findings are resolved or a remediation plan or agreement is established. Any and all single audit findings are included in this evaluation.**

This requirement is **not** limited to federal funds administered by the Department. If an Applicant is not subject to single audit requirements, the Applicant is not required to submit an audit.

If an Applicant is not required to submit an annual single audit, **they must provide a certification to such affect.**

4. Applicant must submit evidence of site control in accordance with [24 CFR §578.25](#).
 - a. If securing federal funding is contemplated for any stage of a

project at the time a project site is acquired, grantee must complete a NEPA environmental review record prior to completing the acquisition. **Failure to do this will result in a choice limiting action, which prohibits the project from receiving any federal funds in the future.** If a site is to be acquired for a CDBG-funded project, regardless of whether CDBG funds are used for acquisition or development and construction, acceptable evidence of site control will be a conditional purchase contract that is contingent on completion of a NEPA environmental review record and securing federal funds.

- b. Construction-related activities must have documented site control for the year in which the application is submitted and for the duration of the Standard Agreement. Public facilities are subject to a five-year no change in use restriction. This restriction will be recorded against the property, will runs with the land, and remains in effect regardless of the ownership of the property.
 - c. If project/activity is in atthe public right of way or easement, the grantee must submit an opinion of counsel that all necessary rights, easements, and permits have been obtained.
 - d. If site control is expected to expire during the open activity period, the Applicant must document that either an alternative site will be made available or that the activity operators intend to extend or renew the site control on the existing site. All activities will need to provide proof of intent to extend site control and submit documentation upon site control extension. Site control must be maintained through the operation period of the activity.
 - e. Acceptable evidence of site control include: a conditional purchase agreement or enforceable option for projects involving acquisition, a deed or lease, or a title report showing ownership of the property vested in the- applicable entity.
5. Applicant must submit the fully executed Certifications and Statement of Assurances (see Appendix D), including but not limited to, using the current form, including the Jurisdiction's name, initialing all pages [where applicable], and completing the last page. Please review the Statement and confirm compliance with each requirement. Failure to comply with the certifications and assurances may result in disqualification, recapture of federal funds, and debarment.

6. Pursuant to [24 CFR §570.486](#), Applicants must follow CDBG Public

Participation regulations. Applicants must provide documentation that the [Citizen Participation Plan](#) requirements have been met. Note that previously-conducted public hearings when applications were submitted under the 2019-2020 NOFA will not satisfy this requirement. A new public hearing that references the current NOFA cycle must be conducted to satisfy this requirement. Documentation must include proof of public noticing, information provided during the public hearing or public meeting, and public comments received during the public participation, including Jurisdiction responses to comments. Additional information about public participation requirements can be found in [CDBG Grants Management Manual Chapter 4](#).

6.7. Applicant must submit a completed Authorizing Resolution **using the required Department-approved Authorizing Resolution form, which has been duly** ~~and~~ approved by the Applicant's governing board. The Authorizing Resolution designates a person or persons responsible for, and authorized to, execute and deliver all documents related to the application of CDBG funds and, if awarded, the execution of a Standard Agreement with the Department.

Please see Appendix C for ~~instructions for completing the resolution along with~~ the Department-approved Authorizing Resolution form as well as instructions on how to complete it.

If a governing body must prepare a separate resolution concurrently that conforms to its local standard, it may do so **in addition to** preparing the ~~Authorizing R~~esolution form provided by the Department. **Applicants must submit their approved resolutions on the form provided by the Department by the application due date. Failure to provide an acceptable resolution at the time of application will result in a delay executing the Standard Agreement.**

7.8. Applicant must submit the required [Government Agency Taxpayer ID \(TIN\) Form](#) found in the Files tab of each program solicitation. The submitted TIN form must include FEIN, accurate payment information to be complete, and must not have been signed more than one (1) year before submission.

8.9. Applicant must complete CDBG budget found in the Grants Network portal. Required budget information includes direct costs only. Direct costs for Activity, GA, and Program Income, if applicable, must be completed and clearly identified. Do **not** include any information on indirect cost, match, or cost share.

9.10. Applicants must submit a Sources and Uses Chart which evidences the commitment of all funds required to complete the applied for CDBG project

or program. The application will guide Applicants that are using multiple funding sources to upload a comprehensive Activity Sources and Uses Chart. Grantees may use their own form or the template Sources and Uses Chart found in the Files tab of each solicitation. Evidence of commitment of any funding sources other than CDBG needed for a project to be feasible must be uploaded at application.

~~10-11.~~ Pursuant to [24 CFR Part 5](#), all CDBG Applicants are required to verify they and their principals, or any/all persons, contractors, consultants, businesses, subrecipients, etc., that are conducting business with the Applicant are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction. Applicants and their partners, contractors, consultants, and subrecipients must register with the [System for Award Management \(SAM\)](#) to do business with the U.S. government and have debarment checks that return a registration status of “Active” and “No Active Exclusion Records” under the Exclusion Summary. See [Chapter 5](#) of the CDBG Grants Management Manual for additional guidance.

~~11-12.~~ The Department will not award any CDBG program funds to Applicants and Applicant partners, including contractors, subrecipients, and consultants that are debarred, suspended, proposed for debarment, declared ineligible, voluntarily excluded from participation, and/or unregistered in SAM from federally-assisted programs. Applicants are not required to perform debarment checks on individual Applicant or partner employees or individual persons unless that person is acting as a contractor, consultant, subrecipient, or program partner and will be receiving payment directly from CDBG funds. Debarment checks for Applicant and all applicant partners must be completed before award of funds.

~~12-13.~~ The Applicant must answer the questions regarding Affirmatively Furthering Fair Housing and Disaster Resiliency in the application form.

~~13-14.~~ Pursuant to the National Environmental Policy Act of 1969 (NEPA), Environmental Standards must be met. Applicant must demonstrate compliance by submission of fully complete, current, and applicable Environmental Review Record forms and supporting documentation. Required NEPA process, training, and current forms are available on the [HUD Exchange](#) under the ‘Formats’ option. Additional HUD guidance can be found at the [Orientation to Environmental Reviews](#) page also on the HUD Exchange and in [Chapter 3](#) of the CDBG Grants Management Manual.

~~14.15.~~ If Applicants intend to use CDBG funding for GA Activities, a GA NEPA Environmental Review Record must be submitted, specifying the applicable exemption in [24 CFR §58.34\(a\)](#).

~~15.16.~~ All construction projects applying for funding under this NOFA must submit the following documentation demonstrate ~~of~~ readiness at the time of application, including but not limited to, the submission of the following items:

- a. Independent Cost Estimate
- b. Completed NEPA Environmental Review Record for the project
- c. Bid-~~R~~ready Plans and Specs
- d. Certification from Engineer that Plans and Specs are bid-ready
- e. Certification from City that bid docs are ready
- f. Construction timeline
- g. Demonstration and Certification that jurisdiction has the capacity and knowledge to manage the project
- h. Demonstration and Certification that Ddeveloper mustis be experienced

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D.B. Application and Activity Requirements

1. Compliance with federal cross-cutting requirements:
At time of application submission, all applications must comply with and provide documentation of HUD's federal cross-cutting requirements found at [24 CFR §570.600, et seq](#), and summarized in Section XI: Federal Program Requirements of this NOFA.
2. Application verification:
Applicants must certify upon submission that their application is true and correct to the best of their knowledge: ~~the required application input fields, attachment uploads, and budget(s).~~ **Selecting an input field or uploading a blank document to circumvent the application requirements invalidates the application certification and will result in immediate disqualification.** Applicants that intentionally input false information or that intentionally upload blank documents will have their good standing with the Department revoked and may be determined to be ineligible for other Department funding. Applicants are warned that intentionally providing false information to the Department may constistute is-fraud.
3. Applicants must submit their own applications:
Applicants are ultimately responsible for what is submitted at application, even if the application was prepared by a consultant. Applicants that rely on consultants or grant writers to prepare the CDBG application must carefully

and thoroughly review the application for completeness and correctness prior to submittal. All documents requiring signature must be executed by the Authorized Representative identified in the Applicant's Authorizing Resolution.

4. Timely Submittal:

Applicants are strongly encouraged to give plenty of time for submitting prior to the application cutoff date and at least several hours prior to the cutoff time.

If an input field, upload requirement, or application component is not functioning correctly, or if there are system outages or other system failures prior to submittal, please contact cdbg@hcd.ca.gov as soon as possible prior to the cutoff time to document the issue so that applications are not disqualified due to technical difficulties. Failure to contact the Department with system issues will not exempt Applicants from application verification requirements.

5. Gap funding:

CDBG is intended to provide stop-gap funding for crucial infrastructure, public safety, housing, and social service projects. CDBG funds may not be obligated to Activities that are documented to already have sufficient funding for the Activity as described, or that have identified multiple funding sources for the same costs, resulting in overfunding of the Activity. **CDBG funds must be “but-for” funding for every Activity and may not be used to supplant local or state resources.** CDBG grant funds cannot be used to replace funds that have been budgeted and/or expended from another funding source for the same Activity (i.e., there cannot be any Duplication of Benefit.) Pre-agreement costs are generally eligible provided that the initial funding for those costs is identified as a temporary funding source (such as a loan from a local fund wherein the loan is float-funding the CDBG Activity pre-agreement costs, but such costs must be repaid so that the temporary loaned funds may be used as originally intended) and that the costs are budgeted to be part of the CDBG Activity.

5.6. Good Standing:

The Applicant, and any co-Applicant, together with all respective affiliates, must be in good standing with the Department (i.e. are current on all loan and/or grant obligations, have a satisfactory past performance history in all their prior dealings with the Department, and are in full compliance with all Department contracts and reporting requirements). Applicants not meeting the foregoing requirements shall be ineligible to apply for or receive funding under this NOFA.

6-7. Article XXXIV:

Applicants engaging in low-income housing project activities that are subject to [Article XXXIV](#) of the California Constitution must show that the project approval process complies with [Article XXXIV](#) requirements. The state statutes implementing [Article XXXIV](#) can be found at [HSC §37000](#). Exceptions to [Article XXXIV](#) can be found at [HSC §37001](#).

7-8. Racial equity:

Applicants should prioritize the advancement of racial equity in all CDBG programs and across systems and units of government in the Jurisdiction. The Department asks Applicants to be leaders in the community, facilitating partnerships among service organizations, housing providers, units of government, businesses, the homelessness response system, and other partners to promote racial equity practices.

All Applicants must identify the work performed to ensure racial equity in access to programs, projects, and activities funded with CDBG resources. Applicants must commit to analyzing disproportionality in access to housing, access to services, quality of service provision, and desired outcomes in Programs and Projects and affirmatively further equitable access, quality of service provision and outcomes for protected classes, including but not limited to Black, Native and Indigenous, Latino/Latina/ Latinx, Asian, Pacific Islanders, and other people of color who have been historically marginalized and are disproportionately impacted by housing segregation, poverty, and homelessness.

Applicants cannot simply rely on delivering a standardization of services to address equity. Applicants must commit to reviewing their current policies and procedures and examining available data to ensure all eligible persons receive equitable services, and support, and are served with dignity, respect, and compassion regardless of circumstances, ability, or identity. See Appendix B of the CDBG Grants Management Manual (pending publication) for Best Practices to Advance Equity and Accessibility.

When applying for 2023 CDBG funds, Applicants should consider:

- What are the community's racial demographics and the demographics of those experiencing homelessness, housing, and economic insecurity?
- What are the outcomes of the CDBG programs based on race? What are the requirements for all sub-grantees to look at data to determine racial disparities and then put a plan in place to address

them?

- How do underserved and marginalized communities learn about and access the CDBG program? What marketing and communication strategies are used to increase equitable access to CDBG programming?
- How does the grant-making process include prioritization for programs that are addressing the disproportionate impacts that housing insecurity, homelessness, economic insecurity, lack of access to equitable health care, and COVID-19 has on communities of color, particularly Black, Latinx, Asian, Pacific Islander, and Native and Indigenous communities?
- How are the voices of Black, Latinx, Asian, Pacific Islander, and Native and Indigenous communities and those having lived with the experience of housing insecurity, homelessness and economic insecurity being centered in a meaningful, sustained way in creating effective approaches to addressing these challenges? How are they involved in the funding decision-making process?
- How are these funds accessible to smaller and non-traditional organizations that have historically been serving communities of color but may not have previously participated formally in government grant programs? How would these funds address the capacity of organizations that are led by Black, Latinx, Asian, Pacific Islander, and Native and Indigenous people?

At application, applicants should provide a list of organizations with which the jurisdiction has partnerships that are addressing racial equity in the housing and homelessness response system, the Economic Development sector, and the health care sector and describe how you partner with them.

The Department will require successful Applicants to submit related racial and ethnic data metrics of their CDBG programming on a **quarterly reporting basis**.

VI. Application Review

All applications that pass the tThreshold evaluation phase will be reviewed for Activity eligibility. Activities that do not meet program eligibility requirements will be disqualified for funding.

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the

provisions of this NOFA at any time, including, without limitation, the amount of funds available hereunder. This includes, but is not limited to, authorizing an eligible increase in funding to any Applicant after the Department makes an award under this NOFA.

VII. Award Recommendations

Applications that are eligible, complete, timely submitted, and that satisfy all threshold requirements may be recommended for funding, subject to the availability of funds for the activity(ies) applied for. Applicants recommended for award will officially be notified of awards via an award letter sent via email. Subsequently, the grantee will receive award notification through the eCivis Grants Network. The award notification will include instructions for accepting or declining the award, as well as an executable Standard Agreement. Applicants that are not recommended for awards or that fail threshold will be officially notified via email that their application was not awarded or failed to pass threshold. The Final Award List will be posted on the Department's CDBG webpage. Applicants may request a copy of their application reviews after the review has been completed and the Applicant has been notified of the results.

VIII. Application Submission

A. Workshops

The Department is conducting a series of both live and pre-recorded application workshops. These workshops will include training on:

- Resolutions: What is required and why
- How to complete the correct level of Environmental Review
- How to pull a debarment check
- How to complete the eCivis Grants Network Budget
- How to pick the correct National Objective
- How to pick the correct Matrix Code
- How to write a narrative
- How to address racial equity in your CDBG funded projects and programs
- ~~How to complete the September 2023 NOFA Application~~
- September 2023 NOFA review
- CDBG 2023 NOFA Amendment #1 Review

Applicants are required to attend these virtual workshop sessions. If they are unable to attend the live virtual workshop, Applicants must certify that they have reviewed these workshops on the CDBG website. This website also provides

Training and Technical Assistance materials on the CDBG program, the CDBG Program Redesign, using Grants Network, and preparing a CDBG program application in Grants Network.

Please visit the Department's [website](#) for upcoming information.

B. Submission Process

Applicants must follow instructions in this NOFA, the online application, and the CDBG program Guidelines. The Department strongly encourages Applicants to have all required documents on hand when completing the application. Failure to follow instructions and **timely** submit all required documentation **may result in disqualification**. Once submitted, applications must stand on their own. It is the Applicant's responsibility to ensure that the submitted application is clear, complete, and accurate. Department staff may request clarifying information but are unable to accept any new documentation that would provide an unfair advantage over other applications. It is **strongly** recommended that all documents be reviewed and saved to their own electronic files PRIOR to submission.

The CDBG Application and all required attachments must be submitted to the Department through the [eCivis Portal](#). Applicants must certify that all information is true and complete to the best of their knowledge, under penalty of perjury. Per [83 FR 5848](#) "Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. §287, 1001 and 31 U.S.C. §3729."

Applicants that do not have an account with the eCivis Portal should create an account through the eCivis website. Use the "Create an account" option to initiate a profile. See the available [training on](#) the CDBG webpage to learn how to open an account. There is no cost associated with an eCivis Portal account.

C. Applicant Responsibility

It is the duty and responsibility of each Applicant to review the provisions, requirements, and limitations of all funding sources applied for and obtained for a particular project, program, or activity to ensure that each and every requirement of those funding sources is compatible with all Department program requirements and restrictions. Incompatibility of funding sources may result in the denial or cancellation of an award or may result in the placement of conditions or limitations on an award, all as determined by Department in its sole and absolute discretion.

D. Disclosure of application

Information provided in the Application will become public record available for review by the public pursuant to the California Public Records Act ([GC §7920, et. seq.](#)). As such, the Department may disclose any materials provided by the Applicant to any person making a request under this Act, without prior notice to the Applicant. The Department cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, home addresses, or other personally-identifying information. By providing this information to the Department, the Applicant is waiving any claims of confidentiality, and consents to the Department's disclosure of the Applicant's material upon receipt of a Public Records Act request and without advance notice to the Applicant.

IX. Appeal Criteria and Process

A. Appeal process and deadlines

To lodge an appeal, Applicants must submit to the Department a written appeal by the filing deadline set forth below, which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the Applicant must provide a detailed reference to the area(s) of the Application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be accepted if this information would result in a competitive advantage to an Applicant. Once the written appeal is submitted to the Department, no further information or materials will be accepted or considered thereafter.

All Appeals must be submitted to the Department via email at
cdbq@hcd.ca.gov

PLEASE do not send Appeals to Department staff directly.

Emails to the email address listed above will be accepted so long as the email time stamp is prior to the appeal deadline.

Filing Deadline: Appeals must be received by the Department no later than ten (10) business days from the date the Department notifies the Applicant that their application has failed to meet eligibility, threshold, or was not timely submitted. Late appeals will not be reviewed.

E.B. Appeal decisions

It is the Department's intent to render its decision in writing within fifteen (15) business days of receipt of the Applicant's written appeal. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department with respect to the appeal.

F.C. Effectiveness

If the applicable statutes and/or Guidelines governing the CDBG program contain an existing process for appealing decisions of the Department with respect to NOFA awards, then this section shall be inapplicable, and such existing authority shall govern all appeals.

X. Awards announcement and grant implementation

A. Awards announcements

The Department anticipates that Waitlisted Project awards will be announced no later than April 31, 2024 and that New Project awards will be announced no later than July 31, 2024. OTC awards will be announced on a rolling basis as applications are approved for funding. All awards are subject to availability of funds and compliance with all applicable legal requirements of the Program. Until awards are announced, the CDBG staff will not be able to discuss applications or the status of applications.

B. Standard Agreements

Successful Applicants (awardees) will enter into a Standard Agreement with the Department. A draft, sample Standard Agreement is included as Appendix E to this NOFA. The Standard Agreement contains all the relevant state and federal requirements, Activity performance and management requirements, and disbursement requirements. The form and content of the sample draft Standard Agreement is subject to revision without prior notice. A condition of award will be that a Standard Agreement must be executed by the awardee within 30 days (contracting period) of the awardee's receipt of the Standard Agreement(s). Failure to execute and return the Standard Agreement(s) to the Department within the contracting period may result in award cancellation. Award cancellations are final.

To ensure that the Standard Agreements are being sent to the correct individual, **Applicants MUST complete ALL required sections of the profile section of the application and must let HCD know in writing if the contact information has changed since the time of application submittal by emailing cdbg@hcd.ca.gov.**

XI. Federal program requirements

A. Federal Cross-Cutting Requirements

The CDBG program is administered under the rules and regulations promulgated

primarily in [24 CFR §570.600, et seq.](#) These primary regulations are known as the federal cross-cutting requirements and form the basis of the programmatic requirements. The Department incorporates all federal cross-cutting requirements into the state CDBG program, and the regulations in Part 570 are translated into required actions on the part of all Grantees of the state CDBG program.

The following is a list of some of the most commonly applicable federal cross-cutting requirements. This is not an exhaustive list.

- Environmental Standards (based on National Environmental Policy Act of 1969 [NEPA])
- Labor Standards (Davis-Bacon and related laws)
- Achieving a HUD National Objective
- Public participation requirements
- Fair Housing and Affirmatively Furthering Fair Housing
- Equal Opportunity and Non-Discrimination in federal Grant Programs
- Federal Procurement Guidelines
- National Flood Insurance Program compliance
- Relocation and displacement requirements
- Employment and Contracting Opportunities Section 3 Compliance
- Lead-based paint requirements
- No use of debarred, ineligible, or suspended contractors or sub-recipients
- Uniform Administrative Requirements and Cost Principles
- Conflict of interest prohibitions
- Compliance with the Architectural Barriers Act and the Americans with Disabilities Act
- Compliance with Eligibility Restrictions for certain resident aliens
- Federal reporting requirements
- Grant and subrecipient monitoring requirements
- Build America, Buy America Act (BABA) requirements

C.B. Build America, Buy America Act (BABA)

On November 15, 2021, the Build America, Buy America Act (the Act) was enacted as part of the Infrastructure Investment and Jobs Act (IIJA). Pub. L. 117-58. The Act establishes a domestic content procurement preference, the BAP, for federal programs that permit federal financial assistance to be used for infrastructure projects. In Section 70912, the Act further defines a project to include “the construction, alteration, maintenance, or repair of infrastructure in the United States” and includes within the definition of infrastructure those items traditionally included along with buildings and real property. Starting May 14, 2022, new awards of Federal financial assistance from a program for infrastructure, and any of those funds obligated by the grantee, are covered under the Build America, Buy

America (BABA) provisions of the Act, [41 U.S.C. 8301](#). Note, while HUD has issued a waiver of the application of the BAP through HUD's Notice, "General Applicability Waiver of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" ([87 FR 26219](#)), HUD will begin requiring compliance with BAP for all new funds obligated on or after November 14, 2022, unless covered by a subsequent waiver. Additional details on fulfilling the BABA requirements can be found ~~at on HUD's website -Build America, Buy America (BABA).] and will be provided by HUD prior to the expiration of the waiver and full implementation of BABA.~~

~~Additional direction will be provided when the same is made available by HUD.~~

~~D.C.~~ Relocation Plan Requirements

Applicants engaging in project-specific activities that may or will cause the temporary or permanent relocation and displacement of persons, property, or businesses must provide a project-specific relocation plan as part of the application. The plan must meet the standards established in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). Applicants must successfully demonstrate that they have met URA requirements prior to the start of the project or displacement Activity. Applicants must include relocation costs in project budgets.

Applicants must provide relocation assistance to persons who may be displaced if the Activity in the grant application is funded. This plan must outline how the Grantee will enforce and manage the project's relocation and displacement activities and estimate what relocation benefits will be required so those costs can be included in the project's development budget.

~~E.D.~~ Procurement

Pursuant to [24 CFR §570.489\(g\)](#), all Grantees must comply with federal procurement requirements. The Department will review the Grantee's procurement documents for services (*i.e.*, administrative sub-contractor, Davis- Bacon consultant, etc.) at time of monitoring or upon the Grantee's request.

Requirements for federal procurement can be found at [2 CFR §200.317-327](#). Applicants are responsible for meeting all federal procurement standards for goods and services funded through federal programs. Failure to meet procurement requirements may result in disqualification, recapture of federal funds, and debarment.

~~F.E.~~ False, Fictitious or Fraudulent Claims

Warning: Any person who knowingly makes a false claim or statement to HUD or the Department may be subject to civil or criminal penalties under [18 U.S.C. §287](#), [1001](#) and [31 U.S.C. §3729](#).

G.F. Detecting, Preventing, and Reporting Fraud

Fraud is a white-collar crime that has a devastating effect on the CDBG program because the CDBG program beneficiaries are victims of this crime when the CDBG program is abused. The Department wants to stop any criminal assault on the CDBG program it administers, and in doing so all CDBG funds go to people it was designed to help and improve their living conditions.

H.G. Combatting Fraud

The HUD Office of Inspector General (OIG) is committed to protecting HUD's programs, operations, and beneficiaries from dishonest individuals and organizations.

HUD cannot combat fraud alone; they rely on Department and CDBG NOFA Applicants to combat CDBG program fraud.

HUD also relies on Applicants for, and people receiving, HUD benefits, such as: tenants receiving rental assistance, borrowers with HUD insured loans, or citizens having their communities restored using HUD grants.

The HUD OIG Hotline number is [1-800-347-3735](tel:1-800-347-3735). This is the primary means to submit allegations of fraud, waste, abuse, mismanagement, or Whistleblower related matters for the CDBG program to the OIG.

HUD OIG accepts reports of fraud, waste, abuse, or mismanagement in the CDBG program from HUD employees, anyone administering the CDGB program, anyone working in the CDBG program, contractors, and the public.

You can report mismanagement or violations of law, rules, or regulations by HUD employees or program participants.

Fraud, Waste and Abuse in the CDBG program and its operation may be reported in one of the following four (4) ways:

By email to: hotline@hudoig.gov

By phone: Call toll free: 1-800-347-3735

By fax: 202-708-4829

By mail: Department of Housing & Urban Development

HUD OIG, Office of Investigation, Room 1200

Field Office

One Sansome Street
San Francisco, CA 94104

[\(213\) 534-2518](tel:(213)534-2518)

HUD OIG, Office of Investigation

Suite 4070

Regional Office

300 North Los Angeles Street
Los Angeles, CA 90012

[\(213\) 534-2518](tel:(213)534-2518)

I.H. Whistleblower Protection Acts

(Federal Whistleblower Protection Act ([5 U.S.C Section 2302\(b\)\(8\)](#)))

The Federal Whistleblower Protection Act (WPA) protects employees from retaliation for making protected disclosures. The WPA also provides penalties for supervisors who retaliate against Whistleblowers.

1. A disclosure is protected under the WPA if the employee discloses information the employee reasonably believes to be evidence of:
 - a. a violation of any law, rule, or regulation,
 - b. gross mismanagement,
 - c. a gross waste of funds,
 - d. an abuse of authority, or
 - e. a substantial and specific danger to public health or safety.
2. In general, an employee or applicant may make a protected disclosure to anyone, including non-governmental audiences, unless the information is classified or specifically prohibited by law from release. Options for making a protected disclosure include:
 - a. Informing a supervisor or someone higher up in management,
 - b. Submitting a complaint to the OIG by emailing the OIG at oig@ftc.gov,
 - c. Filing a complaint with the [Office of Special Counsel](#) (OSC) <http://www.osc.gov/>

The California Whistleblower Protection Act (Title 2, Division 1, Chapter 6.5, Article 3.5, Gov. Code §§ 8548-8548.5)

The California Whistleblower Protection Act authorizes the California State Auditor to receive complaints from state employees and members of the public who wish to report an improper governmental activity. **An "improper governmental activity" is any action by a state agency or any action by a state employee directly related to state government that:**

- (1) Violates any state or federal law or regulation,
- (2) Violates an Executive Order of the Governor, a California Rule of Court, or any policy or procedure required by the State Administrative Manual or State Contracting Manual, or
- (3) Is economically wasteful or involves gross misconduct, incompetency, or inefficiency. Complaints received by the State Auditor are confidential, and the identity of the complainant may not be revealed without the complainant's permission, aside from to an appropriate law enforcement agency conducting a criminal investigation.

There are many ways to file a complaint:

1. By Telephone:

You may call the Whistleblower Hotline at (800) 952-5665 to file a complaint by talking to one of the State Auditor's employees. The hotline generally is staffed Monday through Friday from 8:00 a.m. to 5:00 p.m. If you call when the hotline is not being staffed, or staff is occupied with other calls, you may leave a voicemail message requesting a return call.

2. By Mail or Facsimile:

You may file a complaint in the form of a letter to the State Auditor addressed as follows:

Investigations
California State Auditor
P.O. Box 1019
Sacramento, CA 95812

Or you may fax the letter to the State Auditor at (916) 322-2603.

As an alternative, you may complete the electronic version of the complaint form (which is available on the State Auditor website at auditor.ca.gov), print it out, and return it by mail or facsimile as stated above.

3. Online:

Although the State Auditor does not accept complaints by e-mail, you may file a complaint online at <https://www.auditor.ca.gov/contactus/complaint>

The State Auditor will not undertake an investigation unless there is a basis for believing that your complaint has sufficient merit to warrant spending resources on an investigation. Your complaint should therefore include:

1. A clear and concise statement of what you are alleging to be improper activity and why you believe it is improper.
2. The name or other information that clearly identifies the person you are alleging has acted improperly and the department where that person works.
3. The names and contact information for any witnesses who can confirm the truth of what you are saying.
4. Copies of any documents that will support what you are saying. (You should not submit original documents, as they cannot be returned.)

XII. LIST OF APPENDICES

Appendices are located in the eCivis Grants Network under the 'Files' tab on within each specific program solicitation.

Appendix A: Non-Entitlement CDBG Units of Local Government Census and American Community Survey Data Need Scoring (Not applicable for the September 2023 NOFA)

Appendix B: Housing Element and Growth Control Requirements

Appendix C: HCD Resolution template (**Required**)

Appendix D: 2023 CDBG Application Certifications and Statement of Assurances

Appendix E: Sample DRAFT Standard Agreement

Appendix F: Threshold and Scoring Matrix (Not applicable for the September 2023 NOFA)