

Coronavirus (COVID-19) CDBG-CV Webinar - 4-23-2021 Questions and Answers

General Questions

Q: Can you define Direct and Indirect benefits?

A: Direct benefit means serving only clients that meet the national objective of low to moderate income (LMI) persons or households. Indirect Benefit would be serving clients where at least 51% of the beneficiaries are low to moderate income persons or households residing in a particular area (LMA) or limited clientele (LMC) where at least 51% of beneficiaries are low and moderate income persons and households that provide benefits to a specific group of persons rather than a particular concentration in the service area.

Q: Can you define what it means that no other funds are available for the activity? For example if the funds for general activity (say workforce services) are available, but insufficient, is this acceptable?

A: No other funds available would mean that there is no funding source available in the community to pay for the activity or that any avenues providing funding for that activity have been exhausted and additional funds would be needed to complete it. Please note the MN CDBG-CV grant application is only focused on these activities; Broadband Development, Public Services, Retrofitting Building and Commercial Rehab. Please refer to our website. Funds for general activities are not eligible.

Q: Can you apply for CDBG eligible activities that respond to COVID but are not a listed activity?

A: Funds are only eligible for approved activities listed. However, we encourage grantees to be creative especially in the public services activity addressing social distancing.

Q: Can an individual person/business/building owner apply for individual projects or assistance?

A: Grants will be awarded to cities, counties and townships in entitlement and non-entitlement communities. Those interested in this grant should reach out to their cities, counties and township to express interest and encourage the cities/counties or township they reside in to submit an application(s).

Q: Is it only the entitlement jurisdictions listed in the presentation that are eligible to apply?

A: Eligible applicants are cities, counties and townships in entitlement and non-entitlement communities.

Q: If a community is a sub-recipient to a direct recipient county, are they eligible to apply?

A: Yes, communities within entitlement areas are eligible to apply individually for State CDBG-CV grants.

Q: Is there a model duplication of benefits policy?

A: Please refer to HUD's Exchange website link below:

<https://www.hudexchange.info/resource/6097/cdbg-coronavirus-response-grantee-resources-related-to-preventing-duplication-of-benefits/>

Q: Will Davis-Bacon wages be required for all projects?

A: Davis Bacon Prevailing Wages and Labor Standards are applicable to broadband, retrofitting buildings and commercial rehabilitation.

Q: Can CDBG-CV funds be used to expand day care opportunities where COVID reduced those opportunities in communities? If so, can communities build new day care centers to address that need?

A: This activity is not an approved activity of the CDBG-CV applications offered by DEED. Funds may be available for this through the American Rescue Plan.

Q: Why is the timeline so quick?

A: Due to the time restriction placed on utilizing the CDBG-CV funding, the June 1st due date was used to allow projects receiving funding the ability to start projects as soon as possible. A citizen participation plan and public hearing has to occur before the June 1, 2021 deadline. Please refer to the Federal Register 6218 N-01 CDBG-CV Section II.A. Program Modifications in the CARES Act.

Q: Is a municipally owned Community Center building that is in an unsafe condition, but also serves as an emergency center, as well as COVID response activities eligible for funding?

A: This activity could be eligible for funding, but more clarification would be needed on "unsafe" conditions to determine fully. Note, if funds are invested on the Community Center being used as an emergency center, future use of the center for government operation will be restricted. CDBG-CV funds must be used for activities that prevent, prepare for, and respond to

COVID-19 so if rehabilitation to address the unsafe conditions would not clearly meet any of these criteria then those rehabilitation activities would be ineligible for funding. Those activities can be part of the project, but CDBG-CV funds could not cover those expenses. Further, CDBG-CV funds follows the same regulations as CDBG.

Q: Can these funds be used as reimbursement for testing, or commercial rehabilitation to address social distancing, that have already been incurred?

A: At this time this reimbursement for previously incurred expense related to testing or commercial rehabilitation is not an eligible activity for CDBG-CV commercial rehabilitation.

Q: For the commercial rehab, should cities/counties reach out to businesses to find out the interest? Similar to the intent to participate process? But the application would be for specific projects?

A: Cities/Counties should reach out to business owners to determine the interest in commercial rehabilitation activity in order to write a competitive application.

Public Services

Q: Would a city department, such as a fire department, be eligible for the COVID PPE?

A: CDBG-CV funding cannot be used to purchase PPE for only fire department use. COVID-19 related PPE purchases with CDBG-CV funding should be available for use by all the residents of the applying jurisdiction.

Q: What is the eligible National Objective for the commercial rehabilitation project proposed?

A: Urgent Need.

Q: How could the Low Moderate (LMJ) be used for commercial rehabilitation?

A: LMJ is not a National Objective that will be used for CDBG-CV applications offered by DEED.

Broadband Questions

Q: What if the entire county and no census tracts or blocks within it are LMI tracts, how can you still qualify as LMA for National Objective?

A: If the county does not meet the 51% LMI requirement for LMA national objective for the Census Block Group information (not Census Tracts) using the HUD Mapping tool in the application, it would not qualify for this grant. Census Tracts should not be used to calculate LMA for CDBG-CV applications for Broadband.

Q: If an area received funding through the FCC's rural digital opportunity fund (RDOF) does that mean that area would not be eligible for broadband funding through this program?

A: Areas receiving FCC RDOF funding are still eligible to be part of a project's proposed service; however, work in areas covered by FCC RDOF should not be paid with CDBG-CV funding. Caution should be taken to avoid duplication of benefit.

Q: Will receipt of ARP Fiscal Recovery funds eliminate compliance with the 3rd criteria?

A: Similar to the FCC RDOF funds, a project with a proposed service area containing ARP Fiscal Recovery funds is not ineligible for CDBG-CV funding; however, there needs to be caution to ensure duplication of benefit does not occur. If a project has a financial gap to fully address a need in a community, CDBG-CV funds could be utilized as long as the applicant can show the other funding sources are devoted to set activities/expenses and could not be substituted to the costs CDBG-CV funds would address. Broadband Development will not be using the Urgent Need category.

Q: How does broadband qualify with LMI requirements? Can a community use the funds for broadband initiatives that benefit the entire community/business and industry or only those qualify under LMI?

A: This type of project would qualify only under LMA National Objective. Meeting the LMI National Objective at an area basis is categorized as LMA. Installing lines throughout a community or to a tower that will benefit a community is acceptable as long as the LMA threshold has been met. CDBG-CV funds cannot be used to install the lines to the commercial, industrial and public buildings.

Q: What about Satellite broadband?

A: This program cannot purchase equipment used to transmit or receive broadband service so satellite broadband would not be eligible under this program. Funding is limited to cost of a

tower, middle and last mile infrastructure or installation lines to residential homes or multi-family complexes or for low to moderate clientele.

Q: The presentation mentioned unserved and underserved locations for broadband funding. Does this follow the state's definition of 25/3 and 100/20 Mbps? If so does this factor in fixed wireless and/or satellite service?

A: The lowest proposed speed that a project may propose is 25 Megabits per second (Mbps) down/3 up which is the state's goal for broadband service. There is no cap on the maximum Mbps down/up as the goal is to bring new or enhanced broadband connection to the proposed area. The required Mbps will depend on the proposed service area/community's need. Fixed wireless would be considered a last mile component. Satellite service is addressed in the question prior.

Q: Could you go through the broadband exclusions? Seems odd that you can't use funds for bringing facilities to a public building or providing service.

A: The CDBG-CV funds are for benefitting LMI persons/household only. Connecting broadband to public building/facilities does not necessary mean connecting to LMI households, so those connections are ineligible. Leverage funding may be used to connect these buildings to the new/enhanced broadband. Providing service or assistance to LMI households could be addressed in a Public Services application.

Q: How about an AV upgrade so meeting can be streamed and council members can attend remotely during the pandemic?

A: The interpretation of "AV" was viewed as "Audio Visual" upgrades when addressing this question. AV upgrade for council meeting streaming would be considered a costs to support the operation of government which are ineligible expenses under the CDBG-CV program. Due to this, AV upgrades would be ineligible for funding.

Q: Does the broadband use the same thresholds of speed/service as the border to border grants?

A: No, the CDBG-CV does not use the same thresholds of speed/service as the border to border grants. Minimum threshold follows the state's goal of 25 Mbps down/3 Mbps up, but there is no cap on the maximum Mbps.

Q: The Broadband Development application indicates that the activity must be for areas without those meeting the state speed goal. Please confirm.

A: The goal of the Broadband Development program is to bring new or enhanced broadband access to LMA areas with a priority to unserved areas, but it does not eliminate underserved or served areas. The state's speed goal of 25 Mbps down/3 Mbps up is the minimum speed a

proposed project should bring the proposed service area. An area that may have access to broadband can still be eligible for funding due to the limitation of the communities' existing access to broadband. Households in these areas may have had to resort to teleworking and telelearning within the home which may have led to slow or interrupted connectivity. Underserved areas could fit into this description. Served areas may be part of the proposed service area due to the proximity of unserved/underserved areas, but focus should be on unserved and underserved areas.

Q: Did I hear correctly that service connections to individual properties for broadband are eligible to LMI households?

A: Installing lines to LMI residential homes is an eligible activity.

Q: What maps will you be going off of for served/under/unserved? The FCC maps are not accurate. Can speed test maps be used? Duplicative of another question?

A: The Minnesota Broadband Mapping Application maintained by the Minnesota Office of Broadband Development is the mapping application that should be used to show the proposed services area's unserved/underserved/served makeup. The map can be accessed at <http://map.connectmn.org/>.

Q: Is the priority for unserved and underserved areas a way to prevent duplication due to those areas being under the state's speed goal?

A: Duplication would depend upon other funding sources, federal and non-federal, being used for the same work that CDBG-CV funding may be utilized towards. While an unserved/underserved area may not have other funding sources and would therefore mean there is no duplication, being an unserved/underserved area does not eliminate the review of duplication. It is possible those areas may have previously unknown programs/initiatives starting with other sources which could lead to a duplication.

Q: Would a City that has a fiber optic broadband system be able to apply to extend its systems to unserved or underserved areas?

A: Yes.

Q: I didn't see in the grant application anything which specifically states areas mapped as served are not eligible. Please clarify if "served" areas are eligible or not.

A: Yes, served areas may be eligible. However, unserved areas are a priority for the program and underserved is acceptable as well due to the enhancement piece of the program.

Q: If an LMI community wants higher broadband speed and they are mapped as 25/3, would they be eligible?

A: LMA communities with 25 Mbps down/3 up speeds are eligible as the proposed project would enhance access to broadband connectivity. Please note that there is a priority for unserved areas as well as underserved, so even though a served area is still eligible it may not score high when compared to an unserved area.

Q: If a city is unserved in certain portions of the city and in order to connect the unserved areas you must build broadband through a portion of the city that is considered served is that portion of the project eligible for funding?

A: Yes, they would be eligible to apply, however we may take this into consideration when scoring the application. The focus of this type of project should be on the unserved areas of the city as that is the priority for this funding.

Q: Before applying to DEED for the Broadband how do we do an assessment that unserved areas of the state were actually LMA?

A: The "LMA Percentage Determination Map" and "LMA Percentage Determination Spreadsheet" sections on page 3 and 4 of the Broadband Development Application would be used to determine if the proposed service area met the requirement of 51% or more LMI on an area basis (LMA). Areas that do not meet the LMA requirement, even if unserved, would be ineligible to apply for funding under this program.