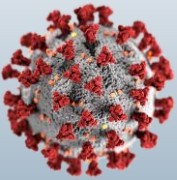


Community Development Block Grant Coronavirus (CDBG-CV) WEBINAR




Presented by Natasha Kukowski, SCDP Manager and
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1

Agenda

- Background
- Allocation
- National Objectives
- Eligible Activities
- Requirements
- Scoring Criteria
- Application and timeline
- FAQ and Q & A



2

Background - CARES Act and Substantial Amendment

The Coronavirus Aid, Relief and Economic Security Act (CARES Act), Public Law 116-136, was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The State had submitted to HUD a substantial amendment to the State's comprehensive Plan to create a CDBG-CV Program which had been approved by HUD.

3

3

The Use of CDBG-CV funds



- CDBG-CV funds must be used for CDBG eligible activities that are carried out to ***prevent, prepare for, and respond to coronavirus (COVID-19).***
- CDBG-CV grants cannot be used for any other purpose and must meet a National Objective.

4

4

The Use of CDBG-CV funds – Cont.

- At least 70 percent of CDBG-CV funds must be expended for activities that benefit low-to-moderate income persons.
- The remaining 30 percent may be used for activities related to COVID-19 that meets the Urgent Need national objective.

5

5

MINNESOTA CDBG-CV ALLOCATION

Total: \$37,600,868

ROUND 1

- \$11,217,782
- Non-entitlement (UGLG)

ROUND 2

- \$17,464,118
- Entitlement & Non-entitlement

ROUND 3

- \$8,918,968
- Entitlement & Non-entitlement

6

6

Who can apply?

Non-entitlement jurisdictions - include units of general local government with cities under 50,000 and counties under 200,000 in population.

Entitlement communities - include Bloomington, Coon Rapids, Duluth, Eden Prairie, Mankato, Minneapolis, Minnetonka, Fargo/Moorhead, Plymouth, Rochester, St. Cloud, St. Paul, Woodbury, Counties of Hennepin, Anoka, Dakota, Ramsey, Washington, and St. Louis.

7

National Objectives

All proposed activities must meet a CDBG National Objective.

- **Low-to-Moderate Income (LMI) Persons**
 - Direct benefit of 100% LMI or
 - Indirect benefit LMA (low moderate area)
 - *At least 51% of beneficiaries of a particular area must be LMI. The activity must serve the entire service area and must be primarily residential in character; or*
 - Limited Clientele (LMC)
 - *At least 51% of beneficiaries are LMI and must provide benefits to a specific group of persons rather than to all the residents of a particular area.*
- **Prevent or eliminate Slum and Blight Conditions (S&B)**
 - *DEED does not anticipate the use of the Slum and Blight National Objective for CDBG-CV Activities.*
- **Urgent Need (URG)**

8

National Objective – LMI

An individual is considered low-to-moderate income (LMI) based on their annual family income.

Total Household Income

“Low” is $\leq 50\%$ of the *AMI

“Moderate” is $\leq 80\%$ of the *AMI



Website for HUD Income Limits (revised each year)

<https://www.huduser.gov/portal/datasets/il.html>

*AMI – Area Median Income by county



9

9

Navigating HUD Income Limits Website

INCOME LIMITS

DATASET / INCOME LIMITS Other Datasets ▾

HUD's Office of Policy Development and Research (PD&R) is pleased to announce that Fair Market Rents and Income Limits data are now available via an application programming interface (API). With this API, developers can easily access and customize Fair Market Rents and Income Limits data for use in existing applications or to create new applications. To create an account and get an access token, please visit the API page here: <https://www.huduser.gov/portal/dataset/fmr-api.html>.

The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs including the Public Housing, Section 8 project-based, Section 8 Housing Choice Voucher, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities programs. HUD develops income limits based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county.

2020
2019
2018
2017
2016
Year ▾

Query Tool
Data
FAQs

Effective April 1, 2020.

Access Individual Income Limits Areas

This system provides complete documentation of the development of the FY 2020 Income Limits (ILs) for any area of the country selected by the user. Official ILs, available in pdf and excel formats at this [link](#), may differ slightly from those calculated in the documentation system, and should be used for ALL official purposes.

Click Here for FY 2020 IL Documentation

10

10

Navigating HUD Income Limits Website – Cont.

FY 2020 INCOME LIMITS DOCUMENTATION SYSTEM

First select a state:

- Minnesota - MN
- Mississippi - MS
- Missouri - MO
- Montana - MT
- Nebraska - NE
- Nevada - NV
- New Hampshire - NH
- New Jersey - NJ
- New Mexico - NM
- New York - NY

Then select a county:

- Traverse County, MN
- Wabasha County, MN
- Wadena County, MN
- Waseca County, MN**
- Washington County, MN
- Watonwan County, MN
- Wilkin County, MN
- Winona County, MN
- Wright County, MN
- Yellow Medicine County, MN

Choose a County

11



11

Income Limits Example

FY 2020 Income Limits Summary

Selecting any of the buttons labeled "Explanation" will display detailed calculation steps for each of the various parameters.

FY 2020 Income Limit Area	Median Family Income	FY 2020 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Waseca County, MN	\$75,200	Very Low (50%) Income Limits (\$)	26,350	30,100	33,850	37,600	40,650	43,650	46,650	49,650
		Extremely Low Income Limits (\$)*	15,800	18,050	21,720	26,200	30,680	35,160	39,640	44,120
		Low (80%) Income Limits (\$)	42,150	48,150	54,150	60,150	65,000	69,800	74,600	79,400

Income limits are generally updated in April

12



12

National Objective – Urgent Need

To meet this National Objective, the following three (3) criteria needs to be documented:

Criteria 1 – Is the activity designed to alleviate existing conditions?

Maintain documentation in the project file that demonstrates the activity prevents, prepares for, or responds to coronavirus, as required by the CARES Act.

13

13

Urgent Need – Cont.

Criteria 2 – Does the condition pose a serious and immediate threat to the health or welfare of the community that is of recent origin or that recently became urgent?

Applicant must certify the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community by one of the following three methods:

(Continue next slide....)

14

14

Urgent Need –Cont.

1. *Referral to the U.S. Dept. of Health and Human Services issued press release declaring a public health emergency for the entire United States (<https://www.hhs.gov/about/news/2020/01/31/secretary-azar-declares-public-health-emergency-us-2019-novel-coronavirus.html>). OR*
2. *Referral to the President’s declaration of the ongoing Coronavirus Disease 2019 (COVID-19) pandemic as an emergency of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories and the District of Columbia pursuant to section 501(b) of the Robert T. Stanford Disaster Relief and Emergency Assistance Act 42 U.S.C. 5121-5207 (the “Stafford Act”). OR*
3. *Referral to the effective dates of a grantee’s own local or state emergency declaration.*

15

15

Urgent Need – Cont.

Criteria 3 – Is the grantee or unit of general local government (UGLG) unable to finance the activity on its own, and other sources of funds are not available to carry out the activity?

Provide documentation that the grantee or UGLG is unable to finance an activity to prevent, prepare for, and respond to the coronavirus on its own.

Reference the required records of compliance with mandatory duplication of benefits requirements to demonstrate that no other funds are available for an activity.

16

16

CDBG-CV funds – Allocation Breakdown by Activity

FUNDING SOURCES (Round 1, 2 & 3)	\$37,600,868.00
State Administration	\$ 2,632,060.76
Available funding for activities	\$34,968,807.24

PROJECT ACTIVITY	FUNDING ALLOCATION
Broadband Development	\$25,468,807.24
Public Services	\$ 5,000,000.00
Retrofitting Buildings & Commercial Rehabilitation	\$ 4,500,000.00
Total	\$34,968,807.24

17

17

Administrative Reimbursement

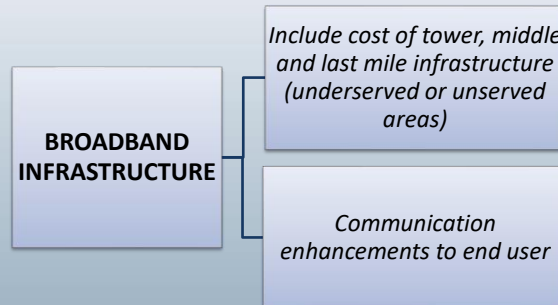
- Administrative funds are capped at a 13% max of actual project costs
 - *Up to 5% of administrative budget can be drawn for start-up expenses (after grant contract execution, completion of Environmental Review, and adoption of required policies)*
 - *After this 5% has been drawn for administration, subsequent disbursements cannot exceed the percentage of the actual completed project costs.*

18

18

Eligible Activities – Broadband Development

Provide broadband infrastructure and/or components; enhancing internet access to support increased connectivity for telework, telemedicine, tele-learning and tele-visits. Total of assistance of \$25,468,807.24.



CDBG-CV funds per project –Assumed maximum of \$5,000,000 per project.



19

19

Broadband Development – Cont.

- This is a one-time program under CDBG-CV and not in any way associated with the *Border-to-Border Broadband Development Grant Program* managed by the Minnesota Office of Broadband Development.
- For activities installing broadband infrastructure, the National Objective is met as a benefit to low-to-moderate income on an area basis (LMA).
- Activities associated with communication enhancements must benefit LMI persons/households.



20

20

Broadband Development – Meeting a National Objective

- To aid in calculating the LMA for the entire proposed area, visit the following webpage:
[CDBG Low- and Moderate-Income Data - HUD Exchange](#)
- If your proposed services area includes any areas within the following jurisdictions, please contact the SCDP team (SmallCities@state.mn.us) to discuss how best to calculate the LMI percentage.
 - Cities: Bloomington, Eden Prairie, Plymouth, Woodbury
 - Counties: Dakota County, St. Louis County, Washington County

21



21

Broadband Development – Ineligible activities

- CDBG-CV funds cannot be used for:
 - Installation of lines to commercial, industrial or public buildings.
 - Purchasing/installing of equipment to transmit or receive broadband service.
 - Support or assist with internet service payments.
 - *These payments may qualify under the Housing Assistance activity as utility payments.*

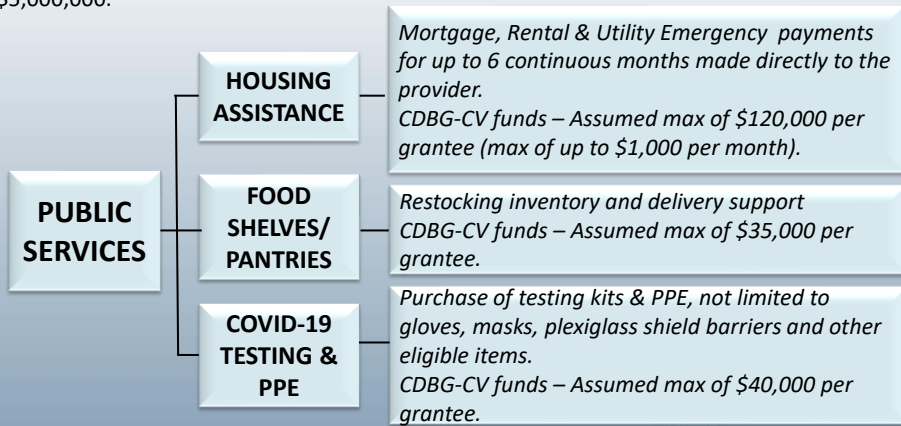
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Eligible Activities – Public Services

Provide subsistence payments to prevent eviction/foreclosures and utility disconnections, food distribution, testing kits and Personal Protective Equipment (PPE). Total assistance of \$5,000,000.

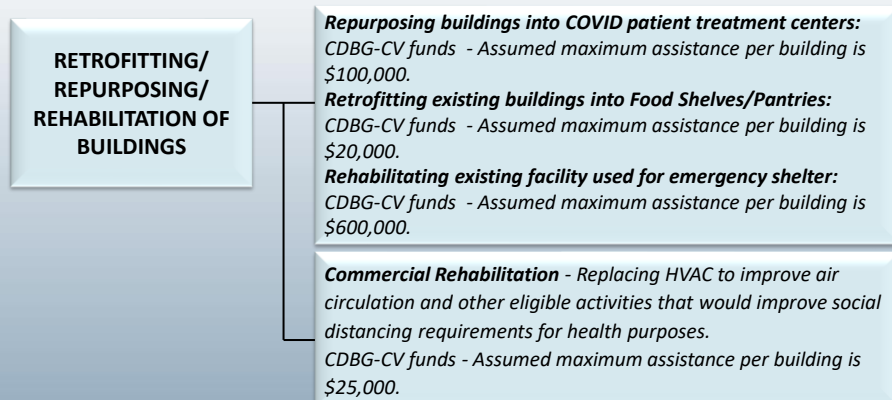


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Eligible Activities – Retrofitting/Repurposing/Rehabilitation

Provide CDBG-CV funds to make the necessary repurposing/retrofitting/rehabilitation to buildings in response to COVID-19. Total assistance of \$4,500,000.



24

24

Ineligible Activities

- Installment loans or Revolving loan funds.
- Purchase of local government vehicles.
- Salaries, including overtime payments for local government employees.
- Public utility payments that are owned and operated by municipalities.
- Broadband - installation of lines to commercial, industrial or public buildings.

25



25

General Information

- Applicants with an open/awarded CDBG or SCDP grant may apply for CDBG-CV grant.
- CDBG-CV application has the same federal regulations and requirements as regular CDBG grants with exceptions noted in Federal Register Notice FR-6218-N-01
 - *Important exception: Public service cap of 15% has been waived for CDBG-CV funds.*

26



26

General Information – Cont.

- Grantees must procure grant administrators.
 - *For-profit administrators (including engineering and architect firms) must be procured via the “Common Rule”*
- One application (with multiple activities) per community.
- Communities may partner under one application with one community designated as the primary grantee
- Projects must be completed within 32 months from award letter.

27

27

Applicant Requirements

- **PLEASE READ THE CDBG-CV APPLICATION GUIDE BEFORE COMPLETING THE APPROPRIATE APPLICATION.**
- Local government must adopt a resolution
 - *Authorizing submission of CDBG-CV application, and*
 - *Execution of grant contract if awarded.*
- Citizen participation plan – adopt before public hearing
- Public hearings (*details on next slide*).
- Applicants are subject to a capacity and performance evaluation.
 - Note:** *All audits and SCDP reporting must be current and in good standing.*

28

28

Applicant Requirements – Cont.

PUBLIC HEARINGS

The CARES Act provides that, for as long as national and local authorities recommend social distancing and limiting public gathering, a virtual public hearing will be permitted, but must provide the following:

- 1) *Reasonable notification and access for citizens in accordance with grantee's certification.*
- 2) *Timely responses from local officials to all citizen questions and issues.*
- 3) *Public access to all questions and responses.*

29

29

Federal Requirements – Duplication of Benefit (DOB)

DOB occurs when a person, household, business, or other entity receives federal financial assistance to address a federally declared emergency or disaster and receives or would receive funds from multiple sources (including insurance) for the same purpose, and the total assistance received will exceed the total need for the cost.

30

30

Duplication of Benefit – Cont.

Each grantee must have procedures to prevent a duplication of benefits that addresses each activity or program.

Policies and procedures must include at a minimum:

- 1) Requirements that any person or entity receiving CDBG-CV assistance must agree to repay assistance that is determined to be duplicative
- 2) A method of assessing whether the use of CDBG-CV funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably to evaluate need and the resources available to meet that need.

A copy of the duplication of benefits policies and procedures must accompany the CDBG-CV application.

31

31

Recommendation for DOB documentation

- Maintain documentation of all CARES Act assistance, including eligible activities and availability of assistance to determine risk of duplication.
- Use CDBG-CV assistance to address unmet needs or provided unduplicated assistance with special attention to needs of low-to-moderate income persons.

32

32

Federal Requirements – Cont.

- Conflict of Interest
 - *Elected officials interested in participating in any proposed activity must abstain from voting on advancing the application and any subsequent motions or declarations.*
- Environmental Review
- Fair Housing/Equal Opportunity
- Federal Davis-Bacon Wage and Labor Standard requirements
 - *Commercial Rehabilitation & Retrofitting Buildings*
 - *Broadband Development*

33

33

Federal Requirements – Cont.

- Quarterly, Annual, and Final reporting
 - DEED will notify grantees further details on reporting requirements as soon as HUD releases guidance.
 - *CDBG-CV Reporting requirements applies to:*
 - *Record information on income, household size and demographics of assisted persons and detailed description of use of funds with supporting documentation.*
 - *Quarterly reports are due 7 days after each calendar quarter.*
- Monitoring
- Program Income

34

34

Federal Requirements – Program Income (PI)

PI generated from CDBG-CV funds should follow the same protocols and processes used to record, document and reuse of regular CDBG program income.



\$35,000 or more received during a federal fiscal year; October 1 - September 30

PI generated after closed grant do not need to be re-used specifically for COVID-19 activities.

35

35

Scoring Criteria

SCDP staff will score and rank each application based on their activities using the scoring criteria; **Need, Impact and Cost Effectiveness.**

- 90 Points for Need
- 90 Points for Community Impact
- 90 Points for Cost Effectiveness



36

36

Broadband Development Scoring

NEED	IMPACT	COST EFFECTIVENESS
Proposed size of service area	Assist communities in preventing, preparing for and responding to COVID-19	Realistic and reasonable project budget & Commitment and use of other funding sources
Percentage of low-to-moderate income households benefiting	Proposed type of broadband infrastructure.	Project timeline to provide reliable broadband access to communities
Need for assistance to connect communities to a broadband network	Proposed average speed in Megabits per second (Mbps) available to households	Capacity of project partners to successfully conduct and accomplish project activities and goals
Lack of other available resources to access reliable broadband service	Other assistance available to LMI households	Duplication of benefit policy

37

Public Service & Building Retrofit/Commercial Scoring

NEED	IMPACT	COST EFFECTIVENESS
Proposed activities are addressing the need to prepare, prevent or respond to COVID-19	Addressing the program intent, areas of focus and performance measures for current and future assessments	Committed leverage, realistic budget
Proposed activities in elevated COVID-19 areas	Goals are specific, measurable, action-oriented, attainable, and realistic	Capacity, experience, adequate management system, policies & procedures
Meeting National Objectives	Long-term viability and the ability to link services and project timeliness	Partnership with other agencies/nonprofit
Sufficient ability to adequately document the benefit to LMI persons	Identify major task or components and will the project be dependent on CDBG-CV funds	Duplication of benefit policy

38

Application

DEED will accept applications due on or before **June 1, 2021.**

Submittal Options

Application Packets must be mailed or hand delivered.

If hand delivered, contact Irene at DEED office (651) 259-7449 or follow the instructions on the cart in front of DEED's reception area.

Application packets must contain:

- One original application and one copy.
- *Both applications must contain all the required documentation.*
- Applications should be printed in color. The original application must have original signatures of the chief elected official in all signature required documents.

39

39

Application

DEED reserves the right to refuse any application or condition any grant award based on:

- Past performance
- Outstanding grant violations
- Continuing capacity to carry-out fundable activities in a timely manner
- Incomplete application
 - e.g.; missing signatures, missing attachments, incomplete copy (including cover sheet)

40

40

CDBG-CV Application Timeline

- April 16, 2021 CDBG-CV Applications available on DEED website
- June 1, 2021 Due Date for Applications
- Mid June, 2021 Funding recommendation to DEED Commissioner
- Early July, 2021 Grant award announcement and grant agreement development

41

41

Application Website & Resources

Applications, guide, and all required documents are available on the DEED website below.

<https://mn.gov/deed/government/financial-assistance/community-funding/cdbg-cv.jsp>

42

42

Resources

CDBG-CV Federal Register Notice FR-6218-N-01 - https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-CV_Notice_Federal_Register_Publication_2002-08.pdf

HUD Guide to National Objectives and Eligible Activities for State CDBG Program (Chapter 3 – Meeting a National Objective) <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-3-Nat-Obj.pdf>

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

Duplication of Benefits Quick Guide and Sample Worksheet - <https://files.hudexchange.info/resources/documents/CDBG-CV-Duplication-of-Benefits-Quick-Guide.pdf>
<https://www.hudexchange.info/sites/onecpd/assets/File/2015-CDBG-DR-Training-DOB-Sample-Issue.pdf>

LMI % Calculation Map (Broadband) - [CDBG Low- and Moderate-Income Data - HUD Exchange](#)

43



43

FAQ's

- Can properties that received SCDP funds in the past, and have active lien agreements, receive CDBG-CV funding?
 - *Yes, this funding is not connected to normal SCDP funds.*
- Can housing assistance payments be used for past due or arrears payments?
 - *Yes, as long as there is no duplication of benefit and the payments are continuous (6 months) with no breaks or gaps in between.*

44



44

FAQ's

- If a client received 3 months worth of assistance for rent or mortgage and then does not need assistance for the next 2 months but needs assistance again, can they apply again for the remaining 6 months?
 - *No. Payments can be made for up to 6 months, continuously only.*
- Who can Housing Assistance payments be made to?
 - *Rent, Mortgage and/or Utility Assistance payments must be made directly to the provider on behalf of the client.*

45

45

FAQ

- Can you apply CDBG-CV funds for uses supported by other CARES Act Funds?
 - *CDBG-CV funds cannot be used to pay for eligible costs that have been already been paid for, or will be paid for, by another Federal program, insurance, or other sources.*
- What happens if a duplication of benefits occurs?
 - *The grantee will have to repay the CDBG-CV grant with non-Federal funds.*

46

46

FAQ's

- Will grantee be required to use existing Program Income (PI) as leverage?
 - *No. Existing CDBG PI does not need to be included as leverage.*

- Do funds need to be offered in a form of a deferred loan or a grant?
 - *Grantees will need to make that decision but are encouraged to design their projects as grants.*

47

47

FAQ's

- Does the reuse of PI generated by CDBG-CV funding need to be COVID-19 related?
 - *The reuse of CDBG-CV PI does not need to be specifically geared towards COVID-19 related projects.*

- Will we need to track PI generated from CDBG-CV separately from PI generated by traditional CDBG funds?
 - *No. CDBG-CV PI will be treated as formula CDBG PI upon receipt.*

48

48

FAQ's

- Is mortgage or rental assistance available to non-LMI residents affected by COVID-19?
 - *No, assistance is only available to low-to-moderate income households.*
- What are the requirements needed for a LMI person to qualify for mortgage or rental assistance?
 - *Documentation that non-payment of mortgage, rent or utility was directly related to COVID-19.*

49

49

FAQ's

- Will there be reporting required?
 - *Yes, there will be Quarterly, Annual and Final reporting required separate from traditional SCDP fund reporting.*
- Is a match required or preferred?
 - *Match is not required, but leverage is always preferred.*

50

50



Q & A

Any questions on CDBG-CV application and materials provided on this presentation or program overall can be sent to the following email address:

SmallCities@state.mn.us

Thank you!

51