

Community Development Block Grant  
**2020 Full Certification – Webinar 1**

# We'll Explain

- History of the Community Development Block Grant (CDBG) Program
- The Nebraska CDBG Program
- Eligible Recipients of CDBG Funds
- National Objectives
- Eligible and Ineligible Activities

# Community Development Block Grant

- The Housing and Community Development Act of 1974 (HCDA) authorized the U.S. Department of Housing and Urban Development to make grants under the CDBG Program
- Resources
  - [24 CFR Part 570](#) – [www.ecfr.gov](http://www.ecfr.gov)
  - <https://www.hud.gov/>
  - <https://www.hudexchange.info>

# Primary Goals of CDBG

- Decent Housing
- A suitable living environment
- Expanded economic opportunities.

# HUD Allocates Funding

- State Program (Non-entitlement Areas)
  - Nebraska Department of Economic Development
- Entitlement Program
  - Bellevue
  - Grand Island
  - Lincoln
  - Omaha

# Requirements

- Consolidated Plan
- Annual Action Plan
- Analysis of Impediments to Fair Housing Choice
- Consolidated Annual Performance Evaluation Report

# Nebraska CDBG Goals

***Program Years: 2020 - 2024***

1. Increase Availability of Affordable Housing
2. Enhance Public Facilities and Infrastructure
3. Encourage Economic Development
4. Support Vital Public Services

# For Program Year 2020 July 1, 2020 – June 30, 2021

## Nebraska CDBG Funding Opportunities

1. Downtown Revitalization
2. Economic Development
3. Emergent Threat
4. Owner Occupied Rehabilitation
5. Planning
6. Public Works
7. Tourism Development
8. Water/Wastewater
9. Youth Job Training



# Requirements

- Activities must be eligible
- Activities must meet a national objective
- Activities must be fundable

# Eligible Recipients

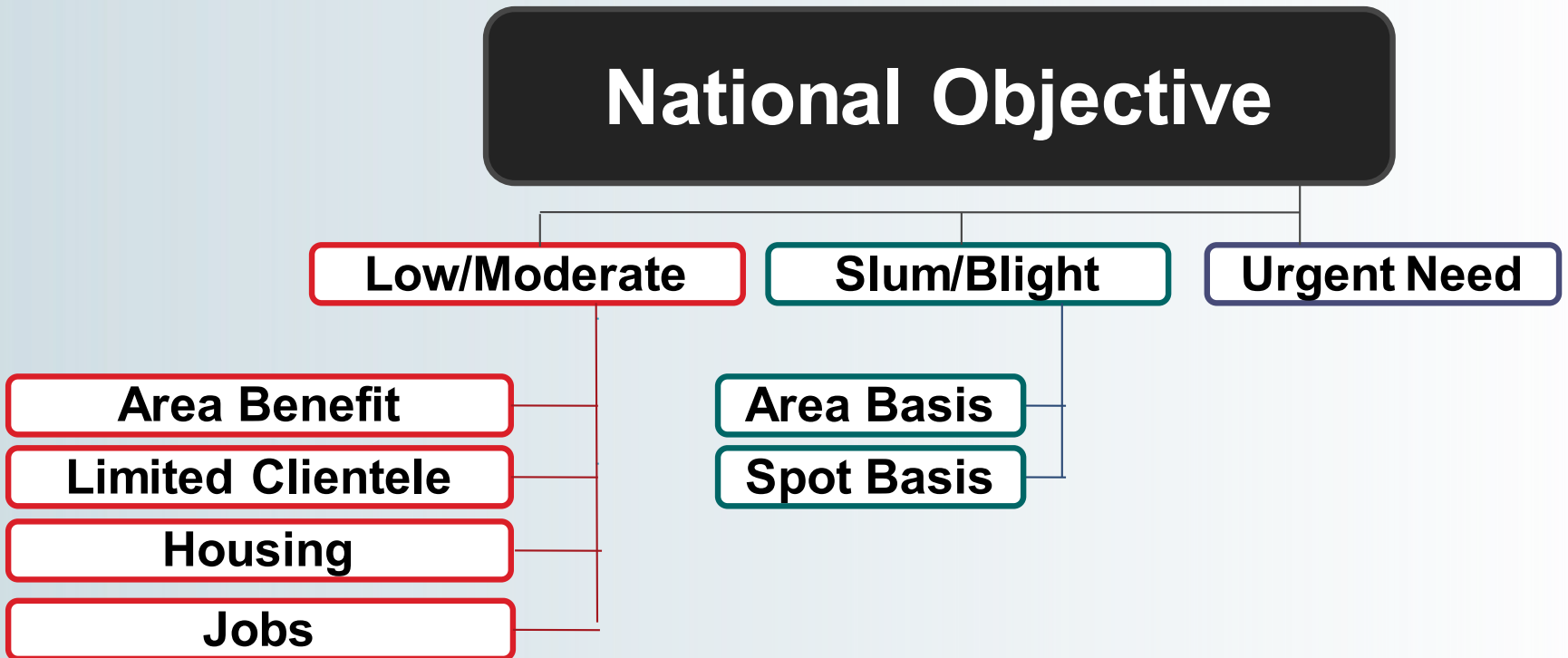
- The Nebraska CDBG Program awards grants to local units of government that are within the non-entitlement area.
- Special Policies
  - Local units of governments may apply for funding in collaboration with either:
    - For Profit Business
    - Nonprofit Organization

# National Objective

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## **COMMUNITY DEVELOPMENT BLOCK GRANT**

# Meeting a National Objective



# CDBG National Objectives

- **National Objectives** (24 CFR 570.483)
  - Benefiting low and moderate income (LMI) persons
  - Aid in the prevention or elimination of slums and blight (SB)
  - Meets community development needs having a particular urgency (UN) that the unit of local government is not able to fund on its own or obtain other sources of funding

# National Objective:

## Low to Moderate Income (LMI)

- Statutory Requirement that at least **70%** of the State's CDBG funding must benefit low to moderate income person.

# Low & Moderate Income Benefit

- Area Benefit (LMA)
  - *24 CFR 570.483(b)(1) ...persons*
- Limited Clientele (LMC)
  - *24 CFR 570.483(b)(2) ...persons*
- Housing (LMH)
  - *24 CFR 570.483(b)(3) ...households*
- Job Creation/Retention (LMJ)
  - *24 CFR 570.483(b)(4) ...persons*

# LMI on an Area Basis (LMA)

- Meet the LMA National Objective Through:
  - U.S. Census Data
  - HUD Estimates
  - Census Survey
  - Random Sample Survey



# LMI on an Area Basis (LMA)

- Data must include all individuals within the service area (primarily residential) that will benefit from the potential project.
- Individuals whose benefit from the project is incidental are not counted as beneficiaries.

# Limited Clientele (LMC)

Meet the LMC National Objective with activities that exclusively benefit a clientele who are generally presumed by HUD to be principally LMI

- Abused children
- Elderly persons (62+)
- Battered spouses
- Homeless persons
- Illiterate adults
- Persons living with AIDS
- Migrant farm workers
- Adults meeting Bureau of Census' definition of severely disabled adults

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# Limited Clientele (LMC)

- Meet the LMC National Objective with activities that:
  - Requires information on family size and income
  - Be of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be LMI
  - Removal of architectural barriers (commonly used with State's Tourism and Downtown Revitalization projects)

# LMI Housing (LMH)

- Based on household/occupancy
- Record Keeping Requirements
  - Copy of agreement between grantee and landlord indicating total number of units and number to be occupied by L/M households
  - Total cost of activity including CDBG and non-CDBG funds
  - Household size and household income for each unit claimed to be occupied by L/M household
  - For rentals:
    - Rent charged after assistance for each unit in each structure assisted
    - Information to show affordability of units occupied by L/M households

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# LMI Jobs (LMJ)

- Most economic activities undertaken based on job creation or retention OR
- Based on jobs held by or made available to L/M persons
- Record Keeping Requirements
  - Agreement between business and grantee
  - Job creation records document hire persons LMI qualified or other income status
  - Hiring plan-jobs available to L/M persons and jobs that will be taken by L/M persons-special skills not required & first consideration LMI persons
  - Job retention-document permanent job loss

# Prevention/Elimination of Slums or Blight

- **Activities must meet one of two determinations:**
  - Area Basis - clearly eliminating objectively determinable signs of slums or blight in a defined area. [24 CFR 570.483(c)(1)]
  - Spot Basis - strictly limited to eliminating specific instances of blight outside such an area. [24 CFR 570.483(c)(2)]

# Prevention/Elimination of Slums or Blight

## Area Basis

- Area must be officially designated within last **10 years**
- Project activities must explicitly address the *contributing* conditions to the slum/blight designation

## Spot Basis

- Activity takes place outside Slum or Blighted Area
- Activity limited to: acquisition\*, clearance, relocation\*, historic preservation, or rehabilitation of buildings

***\*Must have a follow-on activity***

# Urgent Need (note: not used Nebraska)

- **Criteria:**

- Need must pose a serious and immediate threat to health and welfare of the community
- Need must be of recent origin or recently urgent (within 18 months)
- Community must be unable to finance activity on its own
- Other funding sources must not be available to carry out activity



Each eligible activity must meet  
one national objective.

**Name the 3 CDBG National Objectives.**

*National Objectives (24 CFR 570.483)*

# CDBG National Objectives

- Unit of Local Government is contractually responsible for activities funded with CDBG to meet the designated national objective and complete activities as approved and awarded by the State
- Understand the project activities and ensure they are eligible activities and meet a CDBG National Objective

# Survey Methodology

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## **LMA NATIONAL OBJECTIVE**

# Why an Income Survey?

- Income surveys are used to document LMA Benefit when ACS data is not applicable.
  - For example, where grantee believes that the data is:
    - Not current or
    - Do not provide enough information regarding income levels in the service area
      - Service area must be  $\geq 51\%$  LMI persons
      - Service area = the community or the neighborhood served

# Why an Income Survey?

- What are some examples of why ACS data may not apply?
- Best practices for determination.

# Why an Income Survey?

- HUD's LMI data (LMISD) must be used "*to the fullest extent feasible*"
  - Changes to the area may not be reflected in most current data
  - Service Area/Target Area may not always conform with Census Block or Tract Groups, especially in the cases projects including:
    - Public Improvements,
    - Public Service, or
    - Public Facility activities.
- All income surveys must state reason why the survey was conducted.

# Survey Methodology

- *Federal CDBG regulations at 24 CFR 570.483(b)(1)(i)* require that the survey be methodologically sound.
  - All steps of the survey must be documented
  - Submit documentation to the Department
- Income surveys to be conducted on *families* (not households).
  - **Family** is defined as a single person, or a group of person residing together regardless of actual or perceived sexual orientation, gender identity, or marital status.
  - Refer to CPD 14-013 for more details

# Types of Surveys

- Census
  - Service Areas with 200 households or fewer
  - Requires high response rate (100%)
- Random Sample Survey
  - Service Areas with more than 200 households
  - Representative of entire population



# Service Area

The area that will benefit from the completion of the CDBG project.

May use already identified boundaries such as natural boundaries (rivers) and/or man-made boundaries (streets, railroads)

- Step 1: Identify the Service Area
- Step 2: Determine the type of Income Survey to be used
- Step 3: Conduct Income Survey

# Conducting Income Surveys

- Develop the Questionnaire/Survey Form
- Determine who will be Surveyed
  - Census = Every resident
  - Random = Sample Size with an Oversample
- Publicize the Survey
- Conduct the Survey
- Analyze the Results
- Document your Results

# Conducting Income Surveys

Avoid Bias throughout the process.

- Development of questionnaire/instrument
- Publicizing or advertising
- Data
  - collection
  - analysis

# Key Terms

- **Margin of Error (MOE):** Tells you how many percentage points your results could differ from the real value.
- **Confidence Level:** Tells you how sure you are that your estimate falls within your confidence interval
- **Confidence Interval:** Related to the MOE and confidence level. Tells you how much uncertainty there is within a statistic

# Survey Methodology

- **Effective April 1, 2019:** Must comply with Margin of Error (MOE) guidance.
  - Beginning FY2018 LMISD (2011-2015 ACS) includes MOE data.
  - MOE tells you how many percentage points your results could differ from the real value.
- Follow the survey methodology guidance in the manual.
- Application Exhibits updated for PY 2019.

# Walkthrough

## [Appendix: Section 1](#)

### [HUD Income Limits](#)

#### Random Sample Survey

- [Sample Size Calculator](#)
- [Random Sample Selection](#)

### [Margin of Error Calculator](#)

### [Application Exhibit E1 or E2](#) (pg. 11)

# Resources

[HUD CPD Notice 14-013: Guidelines for Conducting Income Surveys to Determine the Percentage of LMI Persons in the Service Area of a CDBG-Funded Activity](#)

[HUD CPD Notice 19-02: Low- and Moderate-Income Summary Data Updates](#)

[DED CDBG Policy Memo 19-01: LMI Summary Data Income Survey Update](#)

# Registrations

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## **COMMUNITY DEVELOPMENT BLOCK GRANT**



# Background

- Federal Regulation
- In October 2003, Federal Acquisition Regulation Policy was published. This required that all federal contractors register in the Central Contractor Registration Database prior to the awarding of any contract or purchasing agreement.
- July 30, 2012, the above system transitioned to the System for Award Management (SAM), this combined the CCR and 8 other databases into a central system.
- Nebraska issued policy memo 13-02, 14-02, and 18-02 regarding the above federal regulation.

# Review SAM Registration Status

- Review the search results and print the results. Your printed copy should include a date stamp at the bottom of the page. If not date and initial.
- The printed copy needs to be included in your CDBG application.

|   |  |
|---|--|
| <b>ECONOMIC DEVELOPMENT, NEBRASKA DEPARTMENT OF</b><br>DUNS: 808820138 CAGE Code: 4VNX3<br>Status: Active<br>Expiration Date: 05/27/2020<br>Purpose of Registration: Federal Assistance Awards Only | 301 CENTENNIAL MALL S<br>LINCOLN, NE, 68508-2529,<br>UNITED STATES |
|---|--|

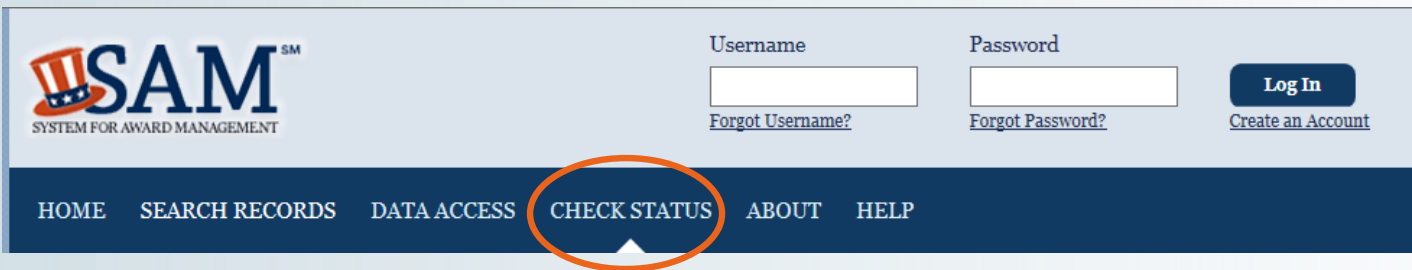
Entity Overview

|  |
|--|
| <b>Entity Registration Summary</b>   |
| <b>Name:</b> ECONOMIC DEVELOPMENT, NEBRASKA<br>DEPARTMENT OF<br><b>Business Type:</b> US State Government<br><b>Last Updated By:</b> Jason Seamann<br><b>Registration Status:</b> Active<br><b>Activation Date:</b> 05/28/2019<br><b>Expiration Date:</b> 05/27/2020 |

|                              |
|------------------------------|
| <b>Exclusion Summary</b>     |
| Active Exclusion Records? No |

# Review SAM Registration Status

- Check your registration status in the SAM



The screenshot shows the SAM System for Award Management login page. The top left features the SAM logo with the text 'SYSTEM FOR AWARD MANAGEMENT'. To the right are input fields for 'Username' and 'Password', each with a 'Forgot' link below it. A 'Log In' button and a 'Create an Account' link are also present. The navigation bar at the bottom contains links for 'HOME', 'SEARCH RECORDS', 'DATA ACCESS', 'CHECK STATUS', 'ABOUT', and 'HELP'. The 'CHECK STATUS' link is highlighted with an orange circle.

# Review SAM Registration Status

- Enter your DUNS number. If the result is not active, create a user account. If result is inactive, reactivate user account.

The screenshot shows the SAM Status Tracker web application. At the top, there is a navigation bar with links for DATA ACCESS, CHECK STATUS, ABOUT, and HELP. Below this is the main header for the SAM Status Tracker, which includes the title 'SAM Status Tracker' and the subtitle 'Check Entity Registration Status'. A 'Page Description' section explains that users can check an entity's registration status in SAM by entering a DUNS Number or CAGE Code. It also mentions that the tracker uses seven circles to represent steps in the registration process: Core Data, Assertions, Reps & Certs, POCs, Submit, Processing, and Active. A final note states that only publicly-searchable registration records are visible in the tracker, and federal government users must log into SAM to search for non-public records.

**Use the SAM Status Tracker Now**

Check registration status by typing in a DUNS Number.

DUNS Number  Plus 4 (Optional)

Or, check registration status by typing in a CAGE Code.

CAGE Code

# Print Registration Status

- Print a screen shot of the SAM Status tracker that indicates active status for the applicant. The applicant must be in an active status as determined by DUNS number entry.

**Use the SAM Status Tracker Now**








Check registration status by typing in a DUNS Number.  
DUNS Number  Plus 4 (Optional)

Or, check registration status by typing in a CAGE Code.  
CAGE Code

ECONOMIC DEVELOPMENT, NEBRASKA DEPARTMENT OF

**Status: Active**

Your registration was activated on May 28, 2019. It expires on May 27, 2020 which is one year after you submitted it for processing.

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |
| Core Data   | Assertions  | Reps & Certs  | POCs  | Submit  | Processing  | Active  |
| Completed   | Not Required  | Not Required  | Completed   | Completed   | Completed   | Completed   |

# Other Results

- No Results

Current Search Terms: **example\* construction\* company\***

Clear Search

TOTAL RECORDS: 0 Save PDF Export Results Print

Result page 0 of 0 Sort by Modified Date Order by Descending

**FILTER RESULTS** **No records found for current search.**

**By Record Status**

Active

Inactive

**By Record Type**

Entity Registration

Exclusion

Apply Filters

# Other Results

- Excluded

|                                    |                       |                              |
|------------------------------------|-----------------------|------------------------------|
| Exclusion                          | <b>ERIC R LINDSEY</b> | Status: <b>Active</b> +      |
| DUNS:                              | CAGE Code:            | <a href="#">View Details</a> |
| Classification: <b>Individual</b>  |                       |                              |
| Activation Date: <b>01/19/2017</b> | Termination Date: -   |                              |

# Resources

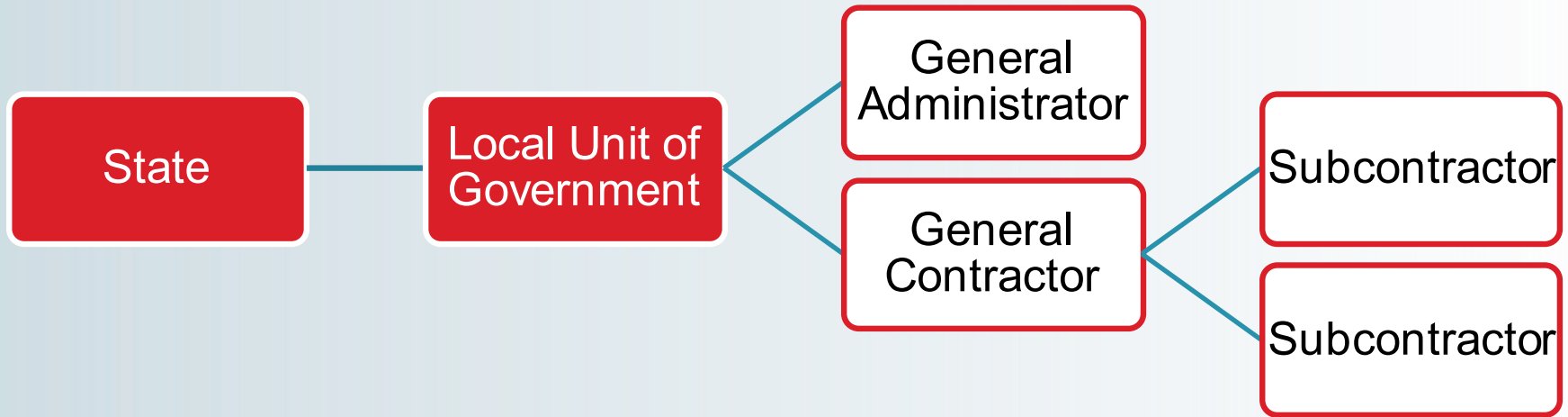
- System for Awards Management: [www.sam.gov](http://www.sam.gov)
- Nebraska Business Development Center:  
<https://www.unomaha.edu/nebraska-business-development-center/government-contracting/govt-contracting-consultant.php>



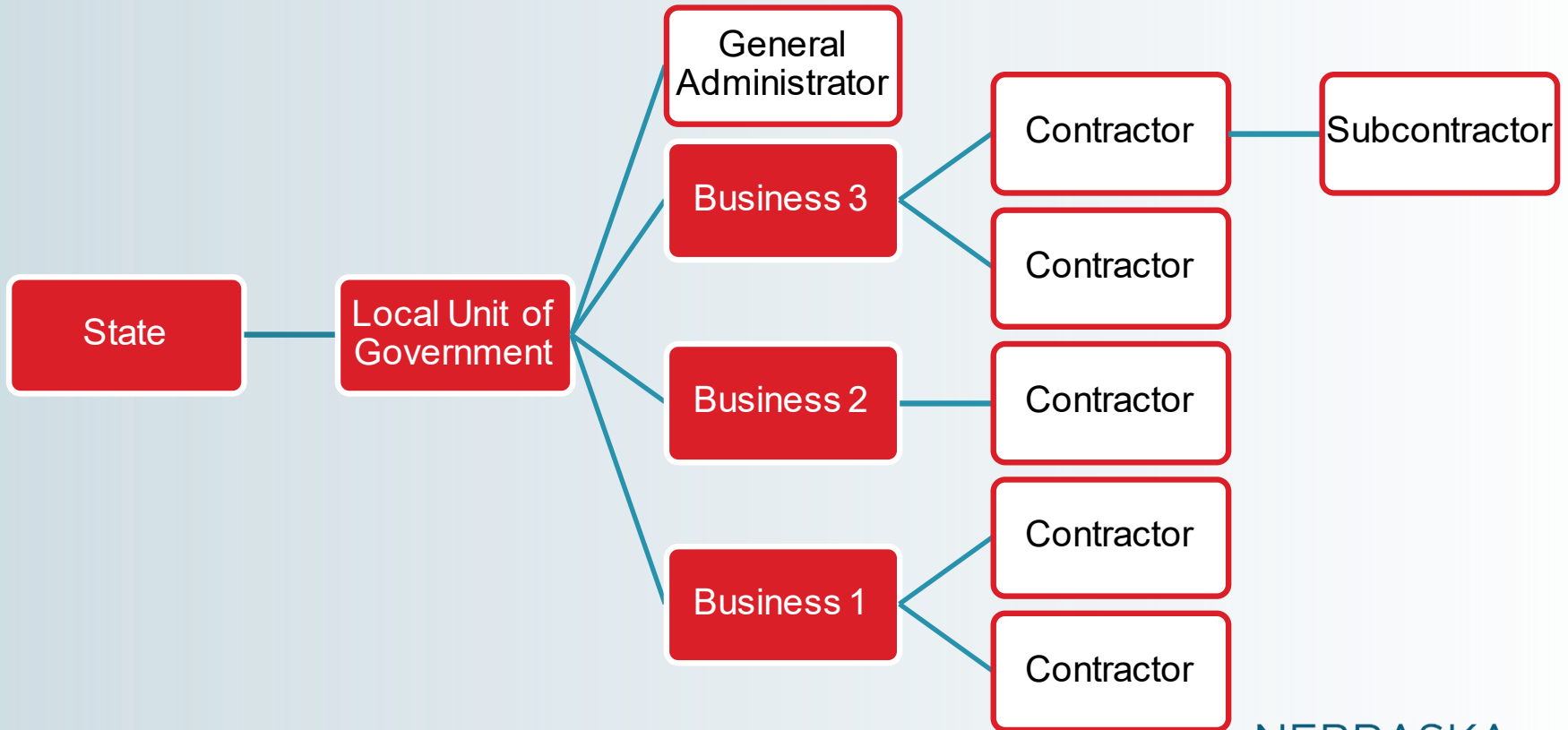
# Changes

- Effective July 1, 2018
- Revises previous Department guidance that states all entities that receive CDBG funds must be registered and active in SAM.
  - Now:
    - Red = Registered and Active in SAM
    - White = Search SAM to verify that the entity does not have an active exclusion.
    - Blue = Individual – no search required.

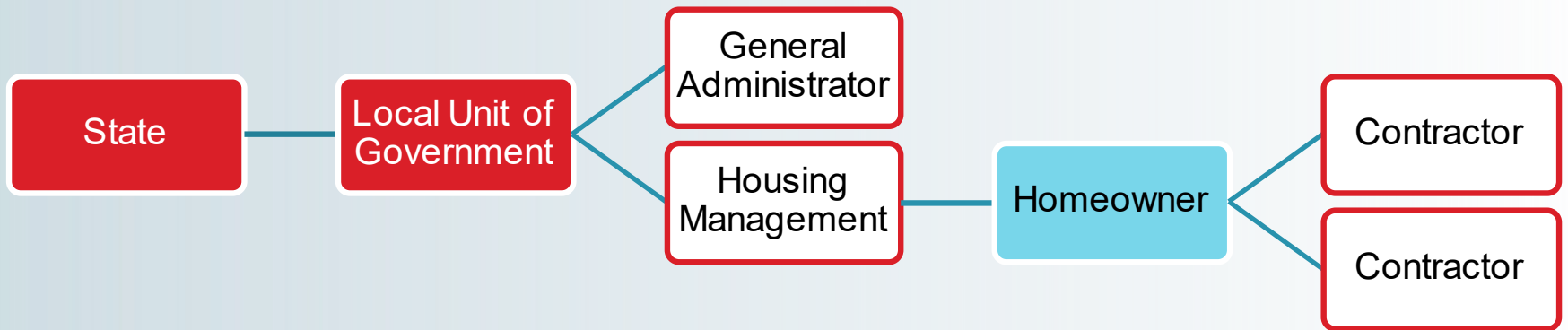
# Example: Construction of Library



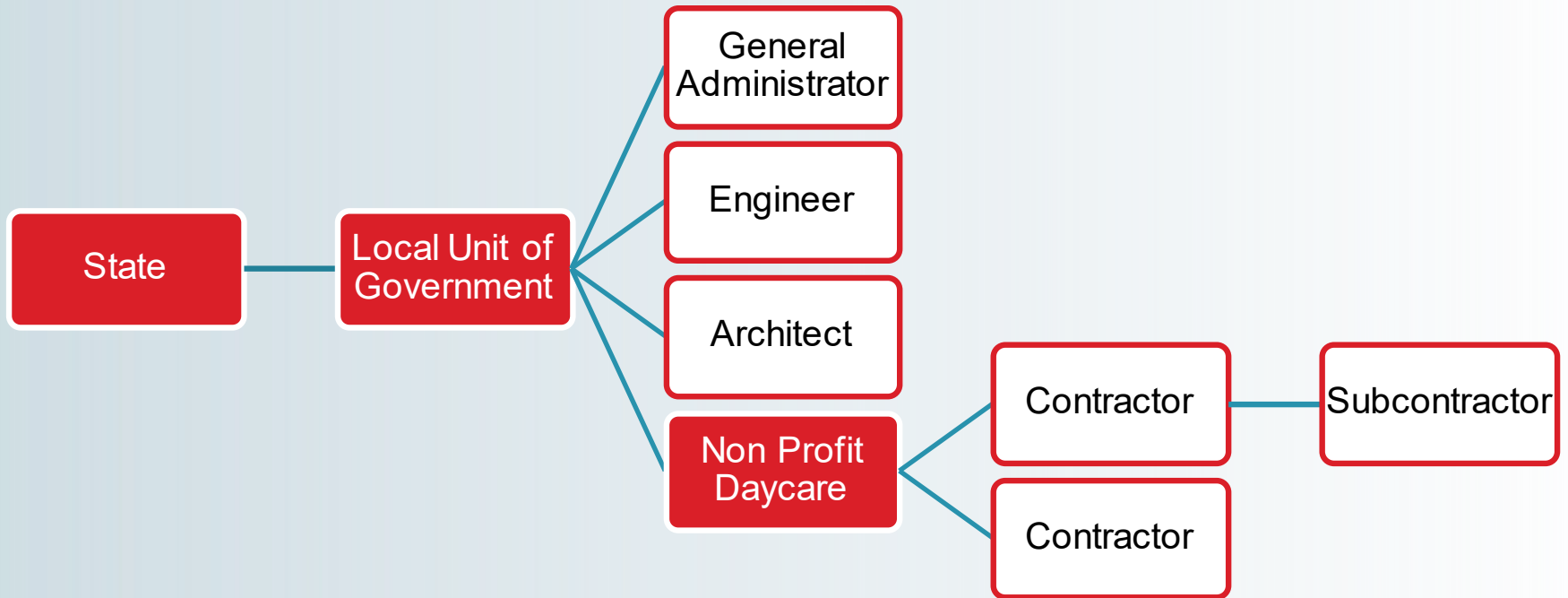
# Example: Commercial Rehab



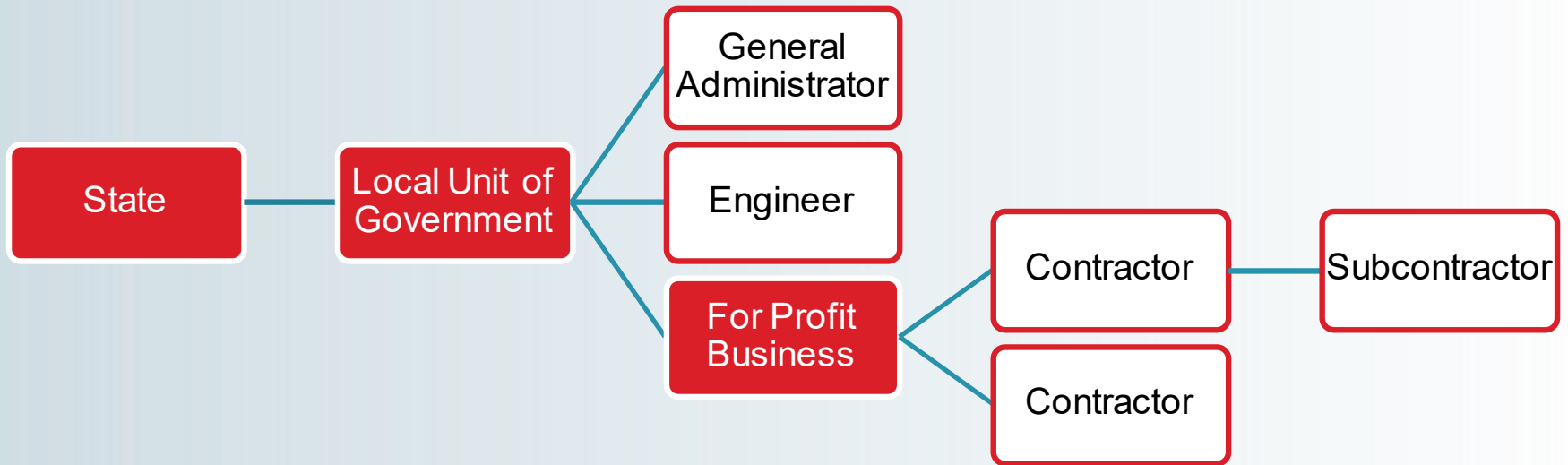
# Example: Owner Occupied Rehab



# Example: Child Care Center



# Example: For Profit Business



# Nebraska Contractor Registration Act

- All contractors doing business in Nebraska must register with the Nebraska Department of Labor.
- A contractor is any person who engages in the business of construction and includes subcontractors, general contractors and any other person arranging for the performance of work on real property.
- <http://dol.nebraska.gov/LaborStandards/Contractors>
- General Phone #: 402.471.2239
- Email: [NDOL.ContractorRegistration@nebraska.gov](mailto:NDOL.ContractorRegistration@nebraska.gov)

# Eligible Activities

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## **COMMUNITY DEVELOPMENT BLOCK GRANT**



# CDBG Eligible Activities

- All project activities must be eligible for funding according to Housing and Community Development Act (HCDA) Section 105 (a)
- General Rule - any activity that is not authorized by the HCDA is ineligible to be assisted with CDBG funds
  - HUD matrix code matches eligible CDBG activities to National Objective.

# CDBG Eligible Activities

- Basic categories of eligibility in order of appearance in Section 105(a) of the HCDA:
  - Acquisition of Real Property
  - Public facilities and Improvement of Privately Owned Utilities
  - Code Enforcement
  - Clearance, Rehab, Reconstruction and Construction of Buildings
  - Architectural Barrier Removal

# CDBG Eligible Activities

- Loss of Rental Income
- Disposition of Real Property
- Public Services
- Payment of the Non-federal Share
- Relocation
- Planning and Capacity Building
- Program Administration Costs

# CDBG Eligible Activities

- Activities Carried out through Nonprofit
- Assistance to Neighborhood Based Development Organizations
- Energy Efficiency/Conservation
- Economic Development Assistance to For-profit Businesses
- Technical Assistance
- Housing Services

# CDBG Eligible Activities

- Microenterprise Assistance
- Homeownership Assistance
- Tornado Safe Shelters
- Lead-based Paint Hazard Evaluation and Reduction

# Additional Eligible Activity

## **Program Administration Costs:**

- Funds may be used to pay reasonable program administration costs and charges related to the planning and execution of the CDBG Program.

# Program Administration Costs (PACs)

## **Costs may include:**

- Overall Program Management
- Coordination
- Monitoring
- Reporting
- Evaluation

# Program Administration Costs

## **Eligible Costs include:**

- Staff and Related Costs (State/UGLG/Sub)
- Citizen Participation Costs
- Fair Housing Activities
- Record keeping and Financial Management
- Compliance and Closeout Reports
- Other project specific administration costs in accordance with the Super Circular (2 CFR Part 200) not prohibited under the CDBG regulations



# Activity Delivery Costs (ADCs)

## **Eligible Costs include:**

- Allowable costs incurred for implementing and carrying out CDBG activities
- Project Implementation Costs (can be charged to specific activity, e.g. housing rehabilitation, commercial rehabilitation) considered Activity Delivery Costs (ADC).
- Allowable activities: staff time and travel for housing management and construction management, delivery public services, lead-based paint testing, architectural, engineering as examples.

# Ineligible Activities

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## **COMMUNITY DEVELOPMENT BLOCK GRANT**

# Ineligible Activities

Construction or rehabilitation of **buildings for the general conduct of government** except for special cases.

# Special Cases for Ineligible Activities

Special cases for buildings used for the general conduct of government

## **Construction or Rehabilitation may be done:**

- Removal of materials and architectural barriers that restrict mobility and accessibility of elderly or severely disabled adults.

# Special Cases for Ineligible Activities

Special cases for buildings used for the general conduct of government

## **Construction or Rehabilitation may be done:**

- Work on buildings used to deliver services to the public such as fire stations.
- Can pro-rate costs for buildings associated with providing both service deliver and administrative functions.

# Ineligible Activities

## **Operation and Maintenance:**

- Mowing grass, filling pot holes in streets, repairing cracks in sidewalks, etc.
- Payment of staff salaries (not related to CDBG program)
- New housing construction (with certain exceptions)

# Ineligible Activities

Construction or rehabilitation of buildings for the **General Conduct of Government.**

- Repair
- Maintenance
- Operations Costs

# Fundability

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## **COMMUNITY DEVELOPMENT BLOCK GRANT**

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# CDBG Program Fundability

- Fundability refers to key thresholds that determine the ability of projects and programs to receive CDBG funding
- The state review process for all local government CDBG funding applications must include a fundability determination prior to award
- All activities must be eligible for funding and meet a national objective

# Statutory & Regulatory Requirements

- **Projects must meet a National Objective**
  - Section 104(b)(3) Housing and Community Development Act (HCDA) of 1974 as amended; and
  - 24 CFR 570.483 of the State CDBG regulations
- **Activities must be eligible**
  - Section 105(a) HCDA
  - State CDBG regulations 24 CFR 570.482

**Note:** The State also identifies priority activities for programs

# Statutory & Regulatory Requirements

- **The State must meet a two-step process:**
  - Each proposed activity must meet a national objective and be eligible at time of application development and approval (Award)
  - Following implementation, State must also determine that activities met national objective and are the same eligible activities that were originally approved for award

# CDBG Fundability

**1** What are the 2 elements for a project meeting the CDBG fundability test?

**2** When?

# References & Resources

- HUD CPD

<http://www.hud.gov/offices/cpd/index.cfm>

- HCDA Housing and Community Development Act

<http://www.hud.gov/offices/cpd/communitydevelopment/rulesandregs/#laws>

- 24 CFR 570

[http://www.access.gpo.gov/nara/cfr/waisidx\\_06/24cfr570\\_06.html](http://www.access.gpo.gov/nara/cfr/waisidx_06/24cfr570_06.html)

# References & Resources

- HUD Guide to National Objectives and Eligible Activities for State CDBG Program (USE for understanding what is eligible for proposed projects)  
<http://www.hud.gov/offices/cpd/communitydevelopment/library/stateguide/>
- HUD CPD Monitoring Handbook  
<http://www.hud.gov/offices/cpd/library/monitoring/handbook.cfm>

# References & Resources

- Notice SD-2015-01: Transition to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance

<https://www.hudexchange.info/resources/documents/Notice-DC-2015-01-Transition-to-2-CFR-Part-200-Guidance.pdf>