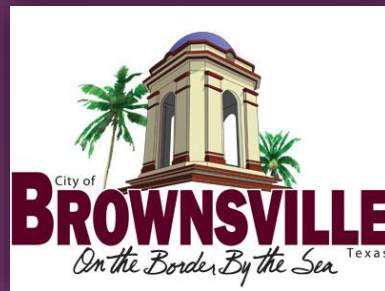


Community Development Block Grant



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WHAT IS A COMMUNITY DEVELOPMENT BLOCK GRANT?

Federal Entitlement program under the U.S. Department of Housing and Urban Development (HUD) that provides annual grants on a formula basis to entitlement cities and counties to develop viable urban communities by:

- ▶ Providing decent housing
- ▶ Providing a suitable living environment
- ▶ Expanding economic opportunities

Principally for low-and moderate-income persons

What is an Entitlement Community?

- ▶ The U. S. Department of Housing and Urban Development designated Brownsville as an Entitlement Community in 1975.
- ▶ Eligibility for participation is based on population data provided by the U. S. Census Bureau and metropolitan area delineations published by the Office of Management and Budget.
- ▶ Formula based on extent of poverty, population, housing, overcrowding, age of housing and population growth.

Annual Allocations

- ▶ Annual allocation is contingent upon congressional approval of federal budget
- ▶ 2018 CDBG grant \$2,698,987.00
- ▶ 15% (\$404,848.05) can be allocated to Social Service Agencies
 - ▶ \$221,256.17
- ▶ 2019-2020 allocation is yet to be determined

5 Year Consolidated Plan & CAPER

- ▶ 2015-2019 5- year Consolidated Plan.
- ▶ What does this mean to you?
 - ▶ Funding from HUD is provided according to an adopted plan
 - ▶ Projects and activities must meet HUD National Objectives and goals/objectives established in the City's Consolidated Plan.
 - ▶ Many strings attached
 - ▶ HUD Money = HUD Rules

Community Voice Needs Assessments

- ▶ Community Voice Campaign launches November –March of every year
- ▶ 2 page survey to determine what services are most needed by the community according to Brownsville Citizens

Social Service Eligibility

- ▶ The City awards Community Development Block Grant (CDGB) funds to local non-profits through a competitive process.
- ▶ All three (3) requirements must be met:
 - ▶ Sub-recipient must have a 501 (c) 3 status
 - ▶ Activities must meet one of HUD's National Objectives
 - ▶ Serve Low to Moderate Income Individuals
 - ▶ Elimination of Slums and Blight
 - ▶ Urgent Need
 - ▶ Must provide public services to low – to – moderate income persons (beneficiaries)

Eligible Beneficiaries

- ▶ Area Benefit (51% LMI Rule Applies)
- ▶ LMI Persons/ Households (Established by HUD)
- ▶ Presumed Benefit (100% Rule applies)
 - ▶ Elderly (62 and over)
 - ▶ Homeless
 - ▶ Persons with Severe Disabilities
 - ▶ Persons Living with HIV/AIDS
 - ▶ Battered Spouses
 - ▶ Neglected and Abused Children
 - ▶ Illiterate Persons
 - ▶ Migrant Farm Workers

Eligible Activities

- ▶ Activities related to public services including but not limited to:
 - ✓ Food and nutrition services for low-to-moderate income persons;
 - ✓ Basic social services to homeless and low to moderate income persons;
 - ✓ Domestic violence prevention and counseling services;
 - ✓ Job training and employment services for low to moderate income persons;
 - ✓ Health care and substance abuse services for low to moderate income persons;
 - ✓ Childcare for low to moderate income persons;
 - ✓ Services for senior citizens (62 and over exclusively);
 - ✓ Services for the disabled persons;
 - ✓ Fair housing counseling

Other Eligibility Considerations

- ▶ Applicant's Capacity
 - ▶ Administrative/ Staffing
 - ▶ Financial/ Accounting
 - ▶ Program/Project Management
 - ▶ Grant Management Experience
 - ▶ **Past Performance**
 - ▶ Recordkeeping/ Reporting
 - ▶ Commitment to Timeliness
 - ▶ On-going Commitment to Compliance

Requirements

- ▶ OGM/CD is entitled to set requirements to ensure the success of the expenditure for the program year:
 - ▶ Provide dollar for dollar match
 - ▶ Actively participate in the Point in Time Survey Count
 - ▶ Submit all reimbursements in a timely manner
 - ▶ Collaborate with OGM/CD Staff on events for Community Voice Campaign
 - ▶ Collaborate with each other when serving our citizens which are number one priority

Timeliness

- ▶ HUD Requirements
 - ▶ Grantee Responsibilities
 - ▶ Sub-Recipient Responsibilities
 - ▶ Spend all granted funds within 10 month agreement

Application Process

- ▶ Before filling out an application, determine:
 - ▶ The need, including scope of service and urgency
 - ▶ Eligibility
 - ▶ How much of the cost has already been budgeted or may be leveraged internally
 - ▶ Agency's Capacity to implement a grant program
- ▶ Application
 - ▶ Agency Information
 - ▶ Project Scope & Details
 - ▶ Target Population
 - ▶ Agency Capacity
 - ▶ Auditing Controls
 - ▶ Agency Experience
 - ▶ Sustainability
 - ▶ Detailed Budget
 - ▶ Performance Measures

Appendices

- ▶ IRS Tax Determination Letter 501 (c) 3
- ▶ The most recent IRS Income Tax Return
- ▶ Most Recent Audit
- ▶ Agency's By-Laws
- ▶ Policies and Procedures
- ▶ Agency's Articles of Incorporation
- ▶ Most Recent Certificate of Insurance
- ▶ Three Letters of Support
- ▶ Letters of Commitment
- ▶ List of current Board of Directors (email addresses & phone numbers)

Technical Assistance

- ▶ Staff assistance will be made available to those prospective applicants;
- ▶ Staff assistance is available to everyone
- ▶ Assistance will be limited to the following:
 - ▶ Informing , interpreting and explaining eligibility rules and regulations to the agencies
 - ▶ Helping agencies in their understanding of a proposed CDBG activity administration system
 - ▶ Explain record keeping and reporting responsibilities
 - ▶ Help agencies with the national objectives compliance on their drafted proposals

Technical Assistance

- ▶ Technical Assistance will **NOT** do the following
 - ▶ Draft a program or project for clients
 - ▶ Do a complete review of the client proposals and offering feedback
 - ▶ Do cost estimates for clients
 - ▶ Provide a guarantee that the proposal or a portion of it will be funded under prescribed conditions
 - ▶ Provide Surveys
 - ▶ Conduct cost-benefit analysis for clients

Federal Law On Conflict Of Interest

The Law 24 CFR 570.611:

- ▶ Is intended to protect the reputation of the CDBG program from even the appearance of providing special treatment or serving a special interest
- ▶ Says “The conflict of interest provisions of ...apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.”
- ▶ As HUD interprets, says that “all employees (regardless of the departments that they work for) of 1) an Entitlement; 2) a State; 3) a unit of general local government receiving CDBG funds from the State or 4) a subrecipient, [along with the other persons described at 570.611(c)] are considered covered persons under the conflict of interest provisions

What if Funds are Granted?

- ▶ Attend Mandatory Orientation
 - ▶ Planning for Implementation and schedules for the PY
 - ▶ Explain the types of reporting forms that will be required
- ▶ Attend One to One Orientation
 - ▶ Sign a Sub-Recipient agreement with the City
 - ▶ Required to keep records as required by HUD and the City
- ▶ Grants are on a reimbursement basis
 - ▶ Due the first Wednesday of every month
- ▶ Monitoring is conducted on a monthly basis
 - ▶ Sub-Recipient will be notified in advance of the visit
- ▶ Follow the spending policy as outlined in the agreement
 - ▶ 60-day Expenditure Rule

Performance Measurements & Record-keeping and Reporting

- ▶ In addition to the basic recordkeeping requirements, sub recipients are required to maintain and report beneficiary records in the following key areas (not all of the following applicable to all activities):
 - ▶ Racial Categorization
 - ▶ Marital Status
 - ▶ Number of persons in the family and total annual family income
 - ▶ Female Head of Households
 - ▶ Disabled/Elderly
 - ▶ Number of persons having access to new services
 - ▶ Number of persons having access to improved services

Unexpended Funds

- ▶ 60- Day Spending Rule
- ▶ Sub-Recipient do not have any discretionary power to control leftover funds **(if any)**
- ▶ Unexpended funds may be reallocated due to cap on Public Service Category

Things To Remember....

- ▶ CDBG funds are not your agency's money, it is HUD's money provided to the City.
- ▶ These funds can only be used on a reimbursement basis. *No payments are made until after approved cost is incurred.*
- ▶ Prior cost to grant award will not be reimbursed.
- ▶ The process you use to obtain service/product is as important as the service/product itself when it comes to determining what is a reimbursable expense.
- ▶ Never assume, you can always check before you act
 - ▶ Communication is the key factor to ensure success

Important Do's And Don'ts

- ▶ Do read the 2015-2019 CON PLAN and understand community priorities;
- ▶ Do read the HUD training manual “playing by the rules”;
- ▶ Do enough homework on your proposal;
- ▶ Do consider cost-benefit and cost effectiveness;
- ▶ Do consider if your clients are willing to provide personal information for participation

Important Do's And Don'ts Continued...

DO NOT

- ▶ Do Not consider CDBG funding as sole source of funding for your project/program;
- ▶ Do Not aggregate multiple programs on a single application
- ▶ Do Not underestimate your burdens and overhead cost
- ▶ Do Not exaggerate need or urgency
- ▶ Do Not assume funds will be available in subsequent years for multi-year projects.

Questions ?



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