

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

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August 30, 2024

**MEMORANDUM FOR:** **All Potential Applicants**

**FROM:** Jenny Cho, Deputy Director  
Division of Federal Financial Assistance

**SUBJECT:** **2024 Community Development Block Grant  
Program Notice of Funding Availability**

The California Department of Housing and Community Development (Department) is announcing the release the 2024 Notice of Funding Availability (NOFA) for approximately \$34 million in federal funds for the Community Development Block Grant (CDBG) program.

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.

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 [cdbq@hcd.ca.gov](mailto:cdbq@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 [cdbq@hcd.ca.gov](mailto:cdbq@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 2024 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**

Division of Financial Assistance, Federal Programs Branch, [Community Development  
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**August 30, 2024**

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## I. Overview

### A. Notice of Funding Availability

The California Department of Housing and Community Development (Department) announces the availability of approximately \$34 million in funding available through the federal Small Cities Community Development Block Grant Program (CDBG) for the 2024 funding year.

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 socioeconomic 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 per [42 U.S.C. §5302\(a\)](#), [24 CFR Part 570](#) and the [State CDBG Guidelines](#).

### B. Estimated Timeline

<b>CDBG NOFA Releases</b>	August 30, 2024
<b>Submission Portal for All Applications Opens</b>	October 29, 2024, at 9AM P.D.T.
<b>Application for Competitive Solicitation Closes</b>	December 30, 2024, at 3PM P.D.T.
<b>Application for OTC Solicitation Deadline</b>	When funds are exhausted or December 30, 2024, at 3PM P.D.T., whichever comes first
<b>Contract Execution for Competitive Applications</b>	May 2025

<b>Contract Execution for OTC Applications</b>	Rolling basis starting May 2025
<b>Expenditure Deadline</b>	2 years, 9 months from contract execution

Applications submitted before the application open date or after the respective closing date or deadline 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 this NOFA is undersubscribed, unawarded funds may be made available under a subsequent NOFA. If funds become disencumbered between this NOFA release and the application deadline, the disencumbered funds may be made available under this NOFA or any subsequent NOFA's, at the department's discretion. If disencumbered funds exceed applications, the disencumbered funds will be made available under a subsequent NOFA.

### C. What is new in this NOFA

1. A comprehensive list of eligible activities under this NOFA can be found here: [IDIS CDBG Matrix Code/National Objective Table](#).
2. Public Service and Planning activities are eligible under a Competitive Application process.
3. Housing Program and Economic Development Program activities are eligible under an Over-The-Counter application process.
4. Economic Development Programs and Housing Programs with multiple activity types (e.g., ED Assistance to For-Profits and Micro-Enterprise Assistance or Homeownership Assistance and Housing Rehabilitation) will be considered as a single application and, if awarded, will be funded under a single Standard Agreement.
5. Maximum number of applications a jurisdiction can apply for has **increased** from one (1) application in the 2023 NOFA Amendment #1 to three (3) applications in this 2024 NOFA and are as follows:
  - 1 OTC Project + 1 OTC Program + 1 Competitive **-OR-**
  - 1 OTC Project + 2 Competitive **-OR-**
  - 1 OTC Program + 2 Competitive.

**\*\*Note:** 2 OTC Project, 2 OTC Program, or 3 Competitive applications are **NOT** allowed.

6. Funding limits have been updated as follows:
  - i) Total grant award for all activities combined per jurisdiction shall not exceed \$3.6 million.
  - ii) Competitive Applications shall not exceed \$300,000.
  - iii) OTC Project application limit shall not exceed \$3.3 million.
  - iv) OTC Program application limit shall not exceed \$1.5 million.
7. Application Process
  - i) A complete application consists of:
    - a. One Main Application **-AND-**
    - b. One Sub Application **PER** Matrix Code

\*For a complete Housing or Economic Development Program application, a Sub Application is required for **each** activity (matrix code) for the program.
  - ii) All applications must be submitted through the eCivis Grants Network Portal before the applicable closing date and/or deadline.
8. Applications must demonstrate Build America, Buy America (BABA) compliance, as applicable.
9. In accordance with [CDBG Program Guidelines](#) Section 202(a)(2), 50 Percent Rule, Grantees shall be ineligible to apply for any additional CDBG funds for Public Services or Planning activities unless, at the time of application submission, the grantee has expended at least 50 percent of CDBG funds previously awarded for such an activity. To encourage timely expenditure, this will mean ANY Planning grant or Public Service grant, regardless of matrix code.
10. For all CDBG-funded programs including Public Services and Housing or Economic Development programs, threshold documentation of site control can be satisfied with a current lease for the location from which the program will operate and a signed statement from the authorizing official that the grantee intends to extend the lease upon expiration. A new or renewed lease must be submitted at expiration of the current lease.
11. Membership in local Continuum of Care (CoC) is now a requirement for activities involving homelessness assistance.
12. Permit requirements have been added to competitive projects.
13. Authorized Signatory for cities must be the Mayor or Mayor pro tempore unless there is an ordinance or municipal code designating another position.

14. Completed Law and Authority topic worksheets must be included with all Environmental Review Records.
15. All OTC applications must demonstrate readiness to the satisfaction of the Department.

#### **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
- [CDBG Final Program Guidelines](#)
- [2020-2024 State of California Consolidated Plan](#)
- [2024-2025 State of California Annual Action Plan](#)

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

## II. 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 2024 NOFA:

Funding Allocation	Percentage	Estimated Dollar Amount
<b>Local Administration</b>	7%	\$2,500,000.00
<b>Competitive Awards</b> (Public Service) ( <a href="#">24 CFR 570.201(e)(1)</a> )	≤15%	\$5,400,000.00
<b>Competitive Awards</b> (Planning) ( <a href="#">24 CFR 570.483(b)(5)</a> )	≤10%	\$3,600,000.00
<b>Over-the-Counter Awards</b> (Housing Projects, Economic Development Projects, Housing Programs, Economic Development Programs)	59%	\$20,500,000.00
<b>Colonias Set-Aside</b> (Section 916 of the National Affordable Housing Act)	Set-aside of 5%	\$1,800,000.00
<b>Non-federally recognized Tribes Set-Aside</b> (HSC §50831)	Set-aside of 1.25%	\$455,000.00

**\*Note:** The amount of total funding available and the allocations of those funds are only estimates and are subject to change without notice.

## A. 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 Requirements, Application Threshold and Initial Requirements, and Application and Activity Requirements set forth in Sections III-VI must be met. Failure to timely satisfy all of the requirements will result in disqualification.**

## A. Eligible Applicants

1. Only non-entitlement Units of General Local Government such as cities, counties and municipalities are eligible to apply. 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](#).

2. Applicants must meet one or more of the following requirements when the application is submitted to be eligible to apply for funding under this NOFA:
  - i) An eligible Applicant may apply on its own behalf.
  - ii) An eligible Applicant may apply on behalf of one or more other eligible Applicants.
  - iii) Two or more eligible Applicants, which share an activity, may submit a joint application.
  - iv) An eligible Applicant may apply on behalf of an eligible subrecipient including a non-federally recognized Tribe or nonprofit.
  - v) In addition to Activity and application limits identified in this 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.

## 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, at a minimum, 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 application submission. Jurisdictions who fail to complete the Housing Element compliance process in a timely manner will be ineligible for funding until the Housing Element meets requirements pursuant to [H.S.C. 50829](#) and [50830](#). Per [CDBG Guidelines, Section 202\(a\)\(4\)](#), 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](#).

### **D. 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 2024 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. Limits for Administration and Planning**

### 1. Program Administration

The Department can use 3 percent of the total funding +\$100,000 for administration costs.

### 2. General Administration (GA)

- i) Applicants may request up to 7 percent of the total CDBG grant funding requested by that Applicant for General Administration (GA). For detailed information regarding General Administration costs, see [Chapter 6: Financial Management](#) of the current posted version of the CDBG Grants Management Manual (GMM), as may be amended, which is found on the CDBG page of the Department's website.
  - ii) The calculation to determine the maximum allowable General Administration amount is the amount of Activity expenses plus Activity Delivery expenses, multiplied by 7 percent. Appendix G has been provided for ease of calculation.
  - iii) In general, there should be minimal GA. Staff time and/or work completed directly on a specific Activity should be reported as Activity Delivery Cost (ADC) whereas the overall management of the CDBG Program, such as NOFA webinars and Office Hours, should be reported as GA.
  - iv) For detailed information regarding ADC, see [Chapter 6: Financial Management](#) of the current posted version of the CDBG GMM, as may be amended, which is found on the CDBG page of the Department's website.
  - v) GA should be requested in the Main Application for the aggregate amount of all Sub Applications.
3. GA for Program Income (PI) funds is 17 percent of the annual PI receipts for the most recently completed Department Program Year (e.g., for PY 2023, receipts PY 2022 (July 1, 2022 – June 30, 2023)).
  4. Applicants may elect to assign more funds to Activity costs and take less than the 7 percent (17 percent for Program Income) as their GA allocation.
  5. For project budgets with both grant award and PI as funding sources, applications must identify how much GA will be from each source to ensure that GA stays within the appropriate program caps.

## **F. Insufficient Demand**

If there is insufficient demand under this NOFA, the Department will make the unused funding available under subsequent CDBG NOFA(s).

## **G. 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 the Department's website. For a list of eligible activities allowed under this NOFA, go to: [IDIS CDBG Matrix Code/National Objective Table \(ca.gov\)](#).

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

1. be eligible;
2. be necessary;
3. be reasonable;
4. not be used to supplant local or state resources; and
5. be guarded against fraud.

## H. [Application Limits](#)

1. Each Jurisdiction can submit up to three (3) applications during this NOFA cycle.

- i) 1 OTC Project + 1 OTC Program + 1 Competitive **-OR-**
- ii) 1 OTC Project + 2 Competitive **-OR-**
- iii) 1 OTC Program + 2 Competitive.

**\*\*Note:** 2 OTC Project, 2 OTC Program, or 3 Competitive applications are **NOT** allowed.

2. The two (2) Competitive Applications can be 2 Public Service, 2 Planning, or 1 Public Service and 1 Planning Application.
3. The maximum combined award amount per jurisdiction is \$3.6 million. Each activity must have a unique Sub Application with a complete budget, National Objective, scope of work, and milestone timeline.
4. For Housing and Economic Development Programs with multiple matrix codes, the Main Application's Budget will need to breakdown the total amount requested by each matrix code activity.
5. Applicants are encouraged to review the sample draft Standard Agreement in Appendix K as a sample of the applicable terms and conditions required for CDBG funded activities.
6. The \$3.6 million per jurisdiction limits do not apply to Colonias and Native American set-asides. The maximum activity limits are listed below. Program Income (PI) included in an activity budget does not count against the Jurisdiction's maximum award limit.

7. Activity Limits

- i) Competitive Applications

- Public Service – up to \$300,000
- Planning – up to \$300,000

ii) Over-the-Counter (OTC) Applications

- Projects – up to \$3.3 million
- Housing Programs – up to \$1.5 million
  - A Housing Program can include the following activities. Each activity must have its own Sub Application.
    - ◇ 13A – Housing Counseling
    - ◇ 13B – Single Family (1 - 4 units) Homeownership Assistance
    - ◇ 14A – Single Family (1 - 4 units) Housing Rehabilitation
    - ◇ 14F – Single Family (1 - 4 units) Energy Efficiency Improvements
    - ◇ 15 – Code Enforcement
- Economic Development Programs – up to \$1.5 million
  - An Economic Development Program can include the following activities. Each activity must have its own Sub Application.
    - ◇ 18A – Economic Development Direct Financial Assistance to For-Profit Business
    - ◇ 18B – Economic Development Technical Assistance
    - ◇ 18C – Economic Development: Microenterprise Assistance

8. Code Enforcement – Changes. Different from previous years, to align with HUD’s directive regarding code enforcement programs, the Code Enforcement activity will only be eligible under the Housing Program application. Per HUD, code enforcement is defined as a process whereby local governments gain compliance with ordinances and regulations regarding health and housing codes, land use and zoning ordinances, sign standards, and uniform building and fire codes. The CDBG program expects the focus of code enforcement to be on health and safety issues in **buildings and structures**.

- To gain compliance with HUD’s intent for the program, applicants are required to demonstrate a \$1:\$2.50 ratio of code enforcement to housing rehabilitation availability. That is to say, for every \$1 of code enforcement funds requested, Applicants must have \$2.50 in demonstrated or applied for funds for a Housing Rehabilitation Program.

- a. “Demonstrated” refers to housing rehabilitation program(s) already in existence within the Applicant’s jurisdiction.
- b. “Applied for” funds refers to a housing rehabilitation program through this Application.

## I. Additional Requirements

### 1. Americans with Disabilities Act and Physical Accessibility Requirements

- i) The Grantee shall ensure compliance with all applicable state and federal building codes and accessibility laws and standards. All developments shall adhere to the accessibility requirements set forth in: (i) California Building Code Chapters 11A and 11B; (ii) the federal Fair Housing Act ([42 U.S.C. § 3601 et seq.](#)) and its regulations at [24 CFR part 100](#) (particularly [24 CFR 100.205](#)), and its design and construction requirements, including ANSI A117.1-1986, and the Fair Housing Accessibility Guidelines, March 6, 1991, in conjunction with the Supplement to Notice of Fair Housing Accessibility Guidelines: Questions and Answers About the Guidelines, June 28, 1994; and (iii) the Americans with Disabilities Act of 1990 ([42 U.S.C. § 12101 et seq.](#)) and its Title II and Title III regulations at [28 CFR parts 35 and 36](#); and Section 504 of the Rehabilitation Act of 1973 ([29 U.S.C. § 794](#)) and the implementing HUD regulations at [24 CFR Part 8](#).

### 2. Construction Standards/Requirements

- i) All residential construction Projects, where applicable, must comply with the housing construction codes of the State of California. All units must meet these codes as well as any locally adopted codes and ordinances. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units. The [State Housing Law Program](#) within the Department continuously refines the building standards to ensure they comply with new or changing laws and regulations and develops statewide building standards for new construction of all building types and accessories. The [State Housing Law Program](#) also develops the building standards necessary to provide accessibility in the design and construction of all housing other than publicly funded housing. The building standards are published as the [California Building Standards Code](#) under the California Code of Regulations, Title 24, and construction standards in the Standard Agreement must meet or exceed all applicable requirements for housing or building construction. Tribal Entities with Projects on Native American Lands are required to follow their own tribal building codes or the International Building Code.

## IV. Application Requirements

### A. National Objectives

CDBG-funded activities must meet the following National Objective:

- Benefit LMI persons

At least 70 percent 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 the Low- to Moderate-Income National Objective as defined and described in detail in [Chapter 2](#) of the CDBG GMM:

### B. Milestones

All CDBG program-funded activities must be timely implemented in accordance with the milestones defined in the Standard Agreement. Milestones should be project/program specific and a reflection of significant progress. Applicants must include at least five (5) milestones per Activity application. The first and last milestone will be prepopulated and cannot be edited by Applicants. Failure to meet the first milestone identified, is a material breach of the Standard Agreement and will result in a for-cause termination of this Agreement.

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

**TIP:** The Department recognizes that Applicants' proposed milestone dates are estimates. Instead of using an actual date for all optional milestones, please utilize time frames.

For example:

**Milestone One** (required): Activity Initiation. Must be completed no later than 60 days from the Effective Date of the Standard Agreement.

**Milestone Two**: Release Invitation for Bid (IFB) within 90 days of Standard Agreement execution by HCD.

**Milestone Three**: Execute contract with a General Contractor within 120 days of Standard Agreement execution by HCD.

**Milestone Four** (optional): Begin construction within 9 months of Standard Agreement execution by HCD.



**Milestone Five**: Record Notice of Completion within 2 months of project completion.

**Milestone Six** (required): Activity closeout (must be completed no later than 90 days after the Expenditure Deadline).

If necessary, prior to Standard Agreement execution, your CDBG representative may update milestones if changes need to be made.

Additional milestones are optional, though encouraged for best practice of Activity implementation. 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 term of the Standard Agreement. All milestones proposed by Applicants are subject to the review and approval of the Department in its discretion.

### **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 federal and state 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 and the submission of an application does not guarantee an award to an Applicant.**

## **V. Application Threshold and Initial Requirements**

All applications are required to meet and pass threshold requirements at the time of application submission, as determined by the Department. Over-the-Counter applications that do not meet threshold will not be reviewed for award and may be immediately disqualified or reverted to draft. Competitive Applications that do not meet threshold will not move on to scoring and may be immediately disqualified.

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

### **A. Eligible Applicant**

1. Applicant must be an Eligible Applicant as defined under [Section III](#). 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](#).

## **B. Single Audit**

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 documentation directly from the State Controller's Office (SCO) to such effect.

## **C. Site Control**

Applicant must submit evidence of site control.

1. 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, evidence of site control must be provided. Acceptable evidence of site control may be conveyance documentation with substantiation that the transfer is contingent on completion of a NEPA environmental review record and securing federal funds.
2. 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 run with the land, and remain in effect regardless of the ownership of the property.
3. If project/activity is in a public right of way or easement, the grantee must submit an opinion of counsel that all necessary rights, easements, and permits have been obtained.
4. 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.

5. 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. The determination as to what constitutes acceptable evidence of site control shall be made by the Department in its sole discretion.

#### **D. Statement of Assurances (Appendix D)**

Applicant must submit the fully executed Certifications and Statement of Assurances (see Appendix D), 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/or debarment.

#### **E. Public Participation**

Pursuant to [24 CFR §570.486](#), Applicants must follow CDBG Public Participation regulations. Applicants must provide documentation that the Department's [Citizen Participation Plan](#) requirements have been met. Documentation must include proof of public noticing, information provided during the 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](#).

#### **F. Resolution**

1. Applicant must submit a completed Authorizing Resolution **using the required Department-approved Authorizing Resolution form**, which has been duly 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.
2. See Appendix C for the Department-approved Authorizing Resolution form as well as instructions on how to complete it.
3. 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 Resolution 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.

4. **Authorized Signatory for Contracts Involving a City Jurisdiction Recipient:** Pursuant to [California Government Code sections 40601 and 40602](#), the mayor or mayor pro tempore must sign any written contracts and conveyances made or entered into by the city, unless the city has an ordinance or municipal code provision in effect that specifically allows or designates contracts to be signed by an officer other than the mayor or mayor pro tempore. Accordingly, if the city does not have a city ordinance or municipal code provision described above, then the Department requires that the mayor or mayor pro tempore sign the Standard Agreement as the authorized signer for the city and provide to the Department the Resolution from the City Council authorizing the mayor to sign the Standard Agreement and related documents on behalf of the city. The mayor or mayor pro tempore may not delegate to a third party his or her authority to sign documents unless there is a city ordinance or municipal code provision in effect that expressly authorizes such delegation and a duly authorized resolution reflecting such delegation is provided to the Department. If the city does have an ordinance or municipal code provision as described above, the Department requires the city to provide a copy of such ordinance or municipal code, as well as the Resolution that indicates the name and title of the city official authorized to sign the Standard Agreement and related documents. The Resolution required by this section must be in form and content acceptable to the Department.

#### **G. TIN**

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.

#### **H. Budget**

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.

A Budget must be completed for the Main and every Sub Application. Failure to complete the Budget for the Main and every Sub Application may result in an immediate disqualification.

## **I. Sources and Uses Chart**

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 the application. Evidence of commitment of any funding sources other than CDBG needed for a project to be feasible must be uploaded at application.

## **J. System for Award Management (SAM)**

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 GMM for additional guidance.

The Department will not award or distribute 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.

## **K. State Objectives**

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

## **L. National Environmental Policy Act of 1969 (NEPA)**

Pursuant to 24 CFR 570.604 Environmental Standards, the regulations in 24 CFR Part 58 specify how the National Environmental Policy Act of 1969 (NEPA), must be met. Applicants must demonstrate compliance by submission of a complete, current, and applicable Environmental Review Record with the appropriate level of review form, completed [Related Federal Laws and Authority topic worksheets](#), and all

supporting documentation. For more information regarding the Related Federal Laws and Authority, please visit the [HUD Exchange website](#).

Required NEPA process, training, and current forms are available on the [HUD Exchange](#) website. Additional HUD guidance can be found on the [Orientation to Environmental Reviews](#) page and in [Chapter 3](#) of the CDBG Grants Management Manual.

If CDBG funds will be used for GA Activities, a GA NEPA Environmental Review Record must be submitted specifying the applicable exemption in [24 CFR §58.34\(a\)](#).

For Business Assistance and Housing Assistance activities that operate as a program but, as per HUD, require a Tiered Review process with site specific environmental reviews for NEPA clearance, both a GA NEPA review and Tier 1 NEPA review are required at time of application.

### **M. [Construction Projects](#)**

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

- Independent Cost Estimate
- Completed NEPA Environmental Review Record for the project.
- Bid-ready Plans and Specs
- Certification from Engineer that Plans and Specs are bid-ready.
- Certification from City that bid docs are ready.
- Construction timeline (Gantt Chart preferred)
- Demonstration and Certification that jurisdiction has the capacity and knowledge to manage the project.
- Demonstration and Certification that developer is experienced.
- List of required permits including anticipated date of obtaining the permit and any prerequisites needed to obtain the permit. Specifics regarding permit acquisition should be detailed in the application Narrative and Milestones.
- Written commitments for any and all third-party funding that is needed to complete the project.

### **N. [Economic Development \(ED\) Programs Only](#)**

The Applicant must demonstrate capacity and experience to operate an ED Program. Capacity and experience may be documented through one of the following options:

1. The Applicant has hired staff that are able to dedicate capacity to the operation of a CDBG-funded ED Program. These staff must have at least:
  - i) Three years of CDBG ED experience; or
  - ii) Five years of commercial underwriting experience plus two years of general CDBG experience; **-OR-**
2. The Applicant has prepared a draft request for proposals (RFP) or subrecipient selection process for a qualified consultant or nonprofit ED group with direct experience in implementation of the ED activities proposed in the ED Program application.
  - i) A request for proposals or a subrecipient selection process must be completed within 60 days of applicant's receipt of the Standard Agreement. A copy of the executed agreement with the selected subrecipient or contractor must be provided to the Department within 120 days of execution of the Standard Agreement. These must be listed as milestones in the application. **-OR-**
3. The applicant has identified at least three (3) qualified consultants or nonprofit ED groups with direct experience in implementation of the ED activities proposed in the ED Program application.
4. The Applicant commits to partnering with the Small Business Development Centers or a similar organization that has direct experience in CDBG ED program design, implementation, and commercial underwriting. This commitment will be a resolution, memorandum of understanding, or similar formal statement and will be required at application.

## **VI. Application and Activity Requirements**

### **A. 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 XII: Federal Program Requirements of this NOFA.

### **B. Application Verification**

Applicants must certify upon submission that their application is true and correct to the best of their knowledge. **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 constitute fraud.

### C. Application Submission

1. Applicants are ultimately responsible for what is submitted in an 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.
2. Applications submitted through the eCivis Grants Network Portal must be submitted by a jurisdiction's Profile account.
3. All documents requiring signature must be executed by the Authorized Representative identified in the applicant's Authorizing Resolution.
4. All application certifications must be certified by a staff member of the applying jurisdiction.
5. A complete application consists of one Main Application and at least one Sub Application. Failure to submit a Main or a Sub Application will be considered an incomplete application. Incomplete applications WILL NOT be reviewed. We recommend reaching out to your CDBG representative for confirmation of receipt.

### D. 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](mailto: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.**

### E. 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.

## **F. 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.

## **G. 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.

When applying for 2024 CDBG funds, Applicants should consider:

1. What are the community's racial demographics and the demographics of those experiencing homelessness, housing, and economic insecurity?
2. 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?
3. 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?
4. 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?
5. 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?
6. 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?
7. 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 may require successful Applicants to submit related racial and ethnic data metrics of their CDBG programming on a **quarterly reporting basis**.

## **H. Homelessness Assistance**

If you are seeking funding for homelessness assistance, generally defined as activities falling under matrix codes 03C or 03T, you must be a participating member of your local homelessness Continuum of Care (CoC). To demonstrate this, please submit a letter on CoC letterhead signed by the CoC coordinator that states that your jurisdiction is a participating member of the Continuum of Care.

## **I. Scoring**

Qualifying Competitive Applications will be scored according to the evaluation

criteria outlined in Appendix F. Applications requiring the least number of corrections will score higher than applications needing corrections.

1. Community Need Score (Formerly known as Needs Score)

Community Need Score use publicly available data from the U.S. Census Bureau's American Community Survey to measure poverty, housing, and ED needs. These statistics are used to rank all eligible Non-Entitlement Jurisdictions and the rankings are translated into numeric scores. The score summarizes the severity of a community's need for a specific Activity relative to other communities. The Department will prepare the Community Need Score and provides the scores as Appendix A to this NOFA.

2. Scoring (Formerly known as Activity Readiness Score)

Activity readiness is an indicator of Applicant preparedness for Activity implementation. The Scoring Matrix is provided as Appendix F to this NOFA.

- i) Applicants are expected to have necessary contracts and subrecipient agreements in place at the time of application submittal. Fully executed contracts and agreements will score higher than draft contracts and agreements. Applicants that will not be using contracts or subrecipient providers to carry out the Activity and will instead use Applicant staff must clearly document that staff have the experience and capacity necessary to successfully complete the Activity. Documentation may include position description(s) for the identified staff, resumes, or Curriculum Vitae for each staff person involved in the implementation of the Activity, organizational chart, and estimated workload.

Qualifying Competitive Applications will be ranked based on highest score. Applicants will be notified of their point score and the Final Award List will be posted to the CDBG webpage.

## **J. Readiness**

Housing and Economic Development Program applications must demonstrate readiness to be considered for funding. To be considered “ready,” a program will need to provide the following at application submission:

1. Draft or final program guidelines,
2. An underwriter either secured or a draft RFP/RFQ to be released within 60 days of Standard Agreement execution by the Department, and
3. A marketing plan/strategy.

## **VII. Application Submission**

### **A. Workshops**

The Department is conducting a series of both live and pre-recorded application

workshops. These workshops will include training on:

- i) Resolutions: What is required and why
- ii) Public Participation
- iii) How to complete the correct level of Environmental Review
- iv) How to pull a debarment check
- v) How to pick the correct National Objective
- vi) How to pick the correct Matrix Code
- vii) How to write a narrative and milestones
- viii) Single Audit
- ix) How to address racial equity in your CDBG funded projects and programs
- x) Completing the 2024 NOFA Application and Budget
- xi) CDBG 2024 NOFA Review

Applicants are **required** to attend these workshop sessions. It is important to attend and engage in the live webinars to ensure a complete and accurate application is submitted. If they are unable to attend the live virtual workshop, Applicants must certify that they have reviewed these workshops on the CDBG website. The 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.

Excessive corrections may result in disqualification, or an application being reverted to draft to reapply. 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 **will 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.

A complete application consists of one Main Application **and at least** one Sub Application. Failure to submit a Main or a Sub Application will be considered an incomplete application. Incomplete applications **WILL NOT** be reviewed. We recommend reaching out to your CDBG representative or [CDBG@hcd.ca.gov](mailto:CDBG@hcd.ca.gov) for confirmation of receipt.

### 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 (PII). 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.

## [VIII. Application Review](#)

All applications submitted by the application deadline (Competitive Applications) or

until funds are exhausted (OTC Applications) that pass the Threshold 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.

## **A. Review Process**

### 1. OTC Applications

- i) Applications will be reviewed in the order received for minimum Threshold Requirements.
- ii) If an application meets the minimum Threshold Requirements, funds may be allocated for an award.
- iii) Once all funds are allocated and the Department has announced that all funds have been exhausted, additional OTC Applications may not be reviewed.

### 2. Competitive Applications

- i) All applications will be reviewed for minimum Threshold Requirements as outlined in this NOFA.
- ii) Applications that meet minimum Threshold Requirements will be scored as outlined in Appendix F - CDBG Scoring Matrix.

## **IX. 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.

## **X. Appeal Criteria and Process**

Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with the Guidelines and the NOFA. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

The Department will provide opportunity to appeal any disagreed points assessment, pursuant to the appeals process as set forth in the NOFA. Disqualifying threshold determinations shall also follow a similar process, which shall be set forth in greater detail in the NOFA. For reference, all such appeals must be received by the Department no later than five (5) business days from the date of the Department's threshold review, and/or initial score letter, as applicable, representing the Department's decision made in response to the application.

## **A. Competitive Application Appeals**

### **1. Basis of Appeals**

- i) Applicants may appeal HCD's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award (including point scoring and tie breaker).
- ii) At the sole discretion of the Department, the Department's written determination may include a request for clarifying and/or corrective information. For purposes of this section, "clarifying information" includes information and/or documentation that resolves ambiguities in any application materials that will inform the Department's threshold, scoring, and feasibility determinations.
- iii) No Applicant shall have the right to appeal a decision of HCD relating to another Applicant's application (e.g., eligibility, award).
- iv) Any request to appeal HCD's decision regarding an application shall be reviewed for compliance with the Guidelines and this NOFA. All decisions rendered shall be made by the Program Manager or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of HCD.
- v) The appeal process provided herein applies solely to decisions of HCD made pursuant to this NOFA.

### **2. Process**

- i) To file an appeal, Applicants must submit to HCD, by the deadline set forth below, a written appeal 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 or areas of the application that provide clarification and substantiation for the basis of the appeal. No new or additional

information will be considered if this information would result in a Competitive advantage to an Applicant. Once the written appeal is submitted to HCD, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to HCD at [cdbq@hcd.ca.gov](mailto:cdbq@hcd.ca.gov) according to the deadline set forth in HCD review letters.

### 3. Filing Deadline

- i) Appeals must be received by HCD no later than five (5) business days from the date of HCD's threshold review, or initial score letters, as applicable, representing HCD's decision made in response to the application.

## **B. OTC Application Appeals**

### 1. Basis of Appeals

- i) Applicants may appeal HCD's written determination that an application is incomplete, has failed threshold review, or has otherwise been determined to provide an insufficient basis for an award.
- ii) At the sole discretion of HCD, the HCD's written determination may include a request for clarifying and/or corrective information. For purposes of this section, "clarifying information" includes information and/or documentation that resolves ambiguities in any application materials that will inform HCD's determinations.
- iii) No Applicant shall have the right to appeal a decision of HCD relating to another Applicant's application (e.g., eligibility, award, etc.)
- iv) Any request to appeal HCD's decision regarding an application shall be reviewed for compliance with the Policies and Procedures and this NOFA. All decisions rendered shall be made by the Program Manager or his/her designee. The decision shall be final, binding, and conclusive, and shall constitute the final action of HCD.
- v) The appeal process provided herein applies solely to decisions of HCD made pursuant to this NOFA.

### 2. Process

- i) To file an appeal, Applicants must submit to HCD, by the deadline set forth below, a written appeal 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 or areas of the application that provide clarification and substantiation for the basis of the appeal. No new or additional information will be considered if this information would result in a Competitive



advantage to an Applicant. Once the written appeal is submitted to HCD, no further information or materials will be accepted or considered thereafter. Appeals are to be submitted to HCD at [cdbq@hcd.ca.gov](mailto:cdbq@hcd.ca.gov) according to the deadline set forth in HCD's written determination letters.

### 3. Filing Deadline

- i) Appeals must be received by HCD no later than five (5) business days from the date of HCD's written determination letter made in response to the application.

## **XI. Awards Announcement and Grant Implementation**

### **A. Awards Announcements**

The Department anticipates awards will be announced no later than May 2025. OTC awards will be announced on a rolling basis as applications are recommended for funding until funds are exhausted. All awards are subject to availability of funds and compliance with all applicable legal requirements of the Program. Until all 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.

Funding awarded through this NOFA will have a 33-month (two (2) years and nine (9) months) expenditure and liquidation period.

To ensure that the Standard Agreement(s) are being sent to the correct individual, **Applicants MUST complete ALL required sections of the profile section of the application and must let the Department know in writing if the contact information has changed since the time of application submittal by emailing [cdbq@hcd.ca.gov](mailto:cdbq@hcd.ca.gov).** Standard Agreements and communication during this process will be with the email address designated in the profile section of the Application.

## **XII. 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.

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

## **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, as defined below, 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 on [HUD’s website Build America, Buy America \(BABA\)](#).

The following should be included in all contracts and agreements with Subrecipients, contractors, developers and subgrantees, and in any procurement bid/contract documents to ensure BABA compliance by subgrantees, developers and/or contractors:

The parties to this contract must comply with the requirements of the Build America, Buy America (BABA) Act, [41 U.S.C. 8301](#) note, and all applicable rules and notices, as may be amended, if applicable to the Grantee’s infrastructure project.\* Pursuant to HUD’s Notice, “Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance” (88 Financial Report 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

\*The term “infrastructure project,” in this context, is defined in [2 CFR 184.3](#) and means any activity related to the construction, alteration, maintenance, or repair of infrastructure in the United States regardless of whether infrastructure is the primary purpose of the project.

### **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 \(URA\)](#) and any applicable State relocation requirements. 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.

#### **D. Procurement Requirements**

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.

#### **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](#).

##### **1. 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.

##### **2. 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:

i) **By email:**

[hotline@hudoig.gov](mailto:hotline@hudoig.gov)

ii) **By phone:**

Call toll free: 1-800-347-3735

iii) **By fax:**

202-708-4829

iv) **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

HUD OIG, Office of Investigation  
Suite 4070  
Regional Office  
300 North Los Angeles Street  
Los Angeles, CA 90012  
(213) 534-2518

## **F. 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:
  - i) a violation of any law, rule, or regulation,
  - ii) gross mismanagement,
  - iii) a gross waste of funds,
  - iv) an abuse of authority, or
  - v) 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:
  - i) Informing a supervisor or someone higher up in management,
  - ii) Submitting a complaint to the OIG by emailing the OIG at [oiq@ftc.gov](mailto:oiq@ftc.gov),
  - iii) Filing a complaint with the Office of Special Counsel (OSC) <http://www.osc.gov/>

## **G. The California Whistleblower Protection Act**

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

- i) Violates any state or federal law or regulation,
- ii) 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
- iii) 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:

- i) **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.

ii) **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.

iii) 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](http://auditor.ca.gov)), print it out, and return it by mail or facsimile as stated above.

iv) **Online:**

Although the State Auditor does not accept complaints by e-mail, you may file a complaint online at

<https://app.scoutcms.com/CaStateAuditorWhistleblowerComplaint>

v) 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:

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

### **XIII. LIST OF APPENDICES**

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

**Appendix A:** Community Need Score

**Appendix B:** Housing Element and Growth Control Requirements

**Appendix C:** Resolution Template of the Governing Body

**Appendix D:** 2024 CDBG Application Certifications and Statement of Assurances

**Appendix E:** Sample DRAFT Standard Agreement

**Appendix F:** 2024 CDBG Scoring Matrix

**Appendix G:** General Admin Calculator