



# Community Development Block Grant Funds

An overview for Public Services subrecipient grantees

# Agenda

- ▶ Community Development Block Grant Overview
- ▶ National Objectives
- ▶ Overview of Public Services and Eligible Activities
- ▶ Allowable Costs
- ▶ Eligibility Review - Income and Residency
- ▶ Procurement Standards
- ▶ Reporting
- ▶ Contracts - What to Expect



# Community Development Block Grant Overview

# Community Development Block Grant

- ▶ Overseen by the US Department of Housing and Urban Development (HUD)
- ▶ The CDBG Entitlement Program provides annual grants on a formula basis to entitled cities to develop viable urban communities.
  - ▶ Projects must:
    - ▶ Align with HUD's National Objectives
    - ▶ Be eligible under HUD's guidelines
    - ▶ Benefit low and moderate income persons

# CDBG: King County Consortium

- ▶ **Participating Jurisdictions:**
  - ▶ **Auburn, Bellevue, Federal Way, and Kent** collaborate with the Consortium for HOME funds. These cities receive CDBG entitlement funds directly from HUD.
- ▶ **Joint Agreement Cities**
  - ▶ **Burien, Kirkland, Redmond, Renton, and Shoreline** qualify for separate CDBG grants but choose to coordinate with the Consortium on CDBG funding. Joint Agreement Cities contribute a portion of their CDBG funds to consortium-wide activities, however they make decisions at their jurisdictional level regarding their portion of the funds.
- ▶ **Partner Cities**
  - ▶ The 28 Partner Cities and Unincorporated King County participate in the Consortium through membership in the Interlocal Cooperation Agreement (ICA). This agreement guides the allocation of the CDBG, HOME, and ESG funds.

# Planning Documents for Cities

- ▶ Five Year Consolidated Plan
  - ▶ For the King County Consortium, CDBG Grantees are operating under the 2020-2024 Consolidated Plan
  - ▶ This plan guides the investments of CDBG funds for each jurisdiction
  - ▶ It includes helpful data on local market conditions, community needs, intended use of funds by broad category, and specific goals to support the jurisdiction's strategic plan
- ▶ Annual Action Plans
  - ▶ One-year detailed plan on how a jurisdiction intends to expend its funds for the upcoming program year
- ▶ Consolidated Annual Performance and Evaluation Report (CAPER)
  - ▶ Annual report, posted publicly and submitted to HUD, detailing how funds were spent, who in the community was served, and what was accomplished in the prior program year

# National Objectives

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# National Objectives



<b>Low-Moderate Income Benefit</b>	<ul style="list-style-type: none"><li>• Limited Clientele</li><li>• Area Benefit</li></ul>
<b>Eliminate Slums and Blight</b>	<ul style="list-style-type: none"><li>• Area Basis</li><li>• Spot Basis</li><li>• Urban Renewal</li></ul>
<b>Urgent Need</b>	<ul style="list-style-type: none"><li>• Serious and Imminent Threat to Health and Welfare</li></ul>

- Limited Clientele
- Area Benefit

- Area Basis
- Spot Basis
- Urban Renewal

- Serious and Imminent  
Threat to Health and  
Welfare



# Low-Moderate Income Benefit

- ▶ Activities benefiting low to moderate income (LMI) persons
- ▶ Four “subcategories” or ways to meet the Objective
  - ▶ Area Benefit Activities
  - ▶ **Limited Clientele Activities**
  - ▶ Housing Activities
  - ▶ Job Creation or Retention

# Overview of Public Services and Eligible Activities

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# Public Services

- ▶ HUD allows entitlement jurisdictions to allocate **up to 15%** of their annual award to “public services” that meet a National Objective
- ▶ Existing public services funded by local government must be
  - ▶ New Service
  - ▶ Continuation of current CDBG funding, or
  - ▶ Quantifiable increase of services due to CDBG funding

# Public Services

- ▶ Public Services include a variety of program types that serve low to moderate income residents, such as
  - ▶ Senior Services
  - ▶ Youth Services
  - ▶ Legal Services
  - ▶ Employment Training
  - ▶ Landlord/Tenant Counseling
  - ▶ Food Banks
  - ▶ Health Services
  - ▶ Domestic Violence Services, and more!

Talk to staff at the City you're applying to! They will help you determine eligibility!

# Allowable Costs

# Eligible vs Ineligible Costs

## Eligible

- ▶ Labor
- ▶ Supplies
- ▶ Materials
- ▶ **Sometimes**, equipment and furnishings
  - ▶ When used directly to carry out the program - e.g. computers for a literacy program
  - ▶ Always check eligibility with City staff prior to purchasing!

## Ineligible

- ▶ Administrative overhead above 10%
  - ▶ Note: for emergency subsistence payments, this cap is applied to the costs of running the program (direct staff, materials, etc), **not** the full grant amount
- ▶ Payments directly to family/individual for basic services
  - ▶ Exception: Emergency subsistence grants paid directly to the housing provider for up to three months

# Eligibility Review of Program Clients

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# Low to Moderate Income Benefit Program Types

- ▶ Two ways for your Public Service activity to meet the requirement of demonstrating a benefit to low to moderate income persons!
  - ▶ Documentation of LMI individual/household
  - ▶ Presumed LMI benefit



# Income Eligibility

## Documentation of Income

- ▶ Requires verification of family size and household income
  - ▶ Household must be below 80% AMI based on current HUD guidelines
- ▶ Can be demonstrated through:
  - ▶ Records of actual income (e.g. pay stubs)
  - ▶ Evidence of qualification for state/federal programs which have income guidelines at least as strict as the CDBG program
  - ▶ Self certification form in the event of no income for the household

## Presumed Benefit

- ▶ Program Serves
  - ▶ Survivors of Domestic Violence
  - ▶ Elderly Persons
  - ▶ Adults with Severe Disabilities
  - ▶ Individuals Experiencing Homelessness
  - ▶ Individuals with AIDS
  - ▶ Illiterate Adults
  - ▶ Migrant Farm Workers
- ▶ Or, the Nature and Location of the service is such that the activity's clientele will be LMI persons
  - ▶ Such as a daycare center designed to only serve residents of a public housing complex

# Income Eligibility

- ▶ For each activity, one of the following types of documentation must be kept:
  - ▶ Documentation showing that the activity is designed to be used exclusively by a segment of the population presumed by HUD to be L/M income persons (e.g., survivors of domestic violence); or
  - ▶ Documentation describing how the nature and the location of the activity establishes that it will be used predominantly by L/M income persons; or
  - ▶ Data showing the size and annual income of the family of each person receiving the benefit

# Residency Verification

- ▶ Grantees are required to verify that the residents served with CDBG funds live in the incorporated jurisdiction the funds are from
- ▶ Addresses in Pierce and King Counties may show a city name, but fall within unincorporated areas! Residents in these areas are ineligible for CDBG services funded by the Cities of Auburn, Federal Way, or Kent
- ▶ Tools to determine residency include:
  - ▶ [King County Parcel Viewer](#) (King County only)
  - ▶ [Pierce County Parcel & Property Information](#) (Pierce County only)
  - ▶ [City of Auburn City Limit Tool](#) (Auburn only)

# Procurement Standards

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# Procurement of Materials, Supplies, Etc

- ▶ Grantees must follow strict regulatory requirements in order to purchase materials and supplies. This includes documentation of:
  - ▶ Program following ethics requirements in purchasing
  - ▶ Multiple quotations or bids received prior to any purchase
  - ▶ Verifying status of vendor (not on federal list of barred/suspended contractors)
  - ▶ Demonstration of reasonableness
- ▶ **Always talk to city staff prior to making purchases with CDBG funds!**
- ▶ If your program model requires significant supply/material purchases, CDBG funds may not be the best option for you

# Reporting

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# Reporting for CDBG Grants

- ▶ Demographic data will be required with each report rather than annually
- ▶ In addition to service unit reporting, agencies are required to submit backup documentation for all costs being billed/invoiced to the grant. This may include:
  - ▶ Certified timesheets (e.g. signed by supervisor) that detail staff and specific time charged to the program
  - ▶ Receipts or substantiating bills for purchased services, equipment, and or/supplies
    - ▶ Will also need to keep documentation showing procurement process was appropriately followed

# Contracts - What to Expect

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# Prior to Contracting

- ▶ Additional documentation will be required by City staff prior to executing a contract. This could include:
  - ▶ Proof of active SAM.gov registration
  - ▶ Job descriptions for positions to be supported by CDBG funds, including a list of the duties and minimum qualifications for filling each position
  - ▶ Most recent audit
  - ▶ 504/ADA Disability Assurance of Compliance, completed within the last two years
  - ▶ Audit management letter
  - ▶ Program and/or Agency Policy and Procedures Manuals

# Contract Differences

- ▶ Keep in mind: Agencies are subrecipients of these federal funds!
  - ▶ Contracts will reflect that you are subject to all the same federal requirements that Cities are
- ▶ Contracts are annual
- ▶ Reimbursement timing might vary slightly
- ▶ Additional provisions in contract template - expect the contract to be significantly longer than general Human Services contracts
- ▶ Exhibits will be reflective of different reporting requirements
- ▶ You will be monitored by City staff for performance!
  - ▶ HUD requires that we do this

# Questions?

**When in doubt, contact City Staff!**

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