



HUD Entitlement Applicant Orientation

FY 2023 grants (CDBG, HOME, ESG)

Overview



Subrecipient Requirements



Estimated Available Funding



Program Guidelines



Application Criteria



Timeline

HUD Entitlement Grants: The Basics



Subrecipient Requirements

- Be a 501(c)3 organization or unit of local government
- Must have capacity to meet requirements of applicable grant (CDBG, HOME or ESG)
- Subrecipient agencies must maintain compliance with the Uniform Administrative Requirements for Federal Awards (2 CFR 200)
 - Strong Administrative and Financial Systems and Internal controls
 - Policies and Procedures (procurement, confidentiality, non-discrimination, etc)
 - *See checklist of required documentation in the application*
- If awarded, make continuous progress toward outcomes, report regularly, spend timely, and meet program requirements

Estimated Available Funding

The U.S. Department of Housing and Urban Development (HUD) has not yet determined the City of Norfolk's allocation for the grant programs for the coming year

- **CDBG: \$4.5 million** – approx. \$650,000 for Public Service
- **ESG: \$350,000**
- **HOME: \$1.2 million**

*Amounts are subject to change

Estimated Available Funding

- **All grants will be made for a one-year period:
July 1, 2022 – June 30, 2023**
- **Each proposed activity requires a separate application**
- **Minimum Grant Award of \$35,000 (UPDATE)**

Program Guidelines

1. CDBG
2. ESG
3. HOME

Community Development Block Grant {24 CFR 570}

The Community Development Block Grant (CDBG) program provides annual grants on a formula basis to entitlement cities, urban counties and states to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons and/or the elimination of slum and blight.

Allowable Uses for CDBG Funding

- Public Services** (Limited to 15% of total CDBG awards)
- Removal of Architectural Barriers** (ADA Compliance)
- Economic Development**
- Fair Housing Initiatives**
- Housing Counseling**
- Housing Rehabilitation**
- Public Facilities & Improvements**

CDBG Public Services

Eligible Expenses

- CDBG funds may be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.
- Indirect costs are eligible, but must follow the rules at 2 CFR §200.414
 - Federal negotiated indirect cost rate; OR
 - If you have never had a federally approved rate, the De Minimus Rate (10% of modified total direct costs)
Application of direct and indirect costs must be applied consistently on all federal awards

New or Increased Services

CDBG funds cannot be used to replace general government expenditures. That means, in order to qualify for new or increased CDBG funding, the service must be either 1) a new service or 2) a quantifiable increase in the level of an existing service - if the service is or was being supported with state or city funds within the last 12 months.

Eligible Public Services

Senior services; services for persons with disabilities; legal services; youth services; transportation services; substance abuse services; services for victims of domestic violence; employment training; crime awareness; fair housing activities; tenant/landlord counseling; child care services; health services; abused and neglected children services; mental health services; subsistence payments; downpayment assistance; security deposits; housing counseling (24 CFR Part 214); neighborhood cleanups; food banks; housing information and referrals; Other public services not listed

CDBG Broad National Objectives

CDBG Activities must meet the Broad National Objective “Benefiting Low- and Moderate-Income Persons” (LMI):

At least 51% of those served must be LMI

- Low/Mod Limited Clientele (LMC)
- Low/Mod Housing (LMH)
- Low/Mod Area (LMA)
- Low/Mod Jobs (LMJ)

Limited Clientele (LMC)

Four ways to meet/document

1. Benefit a clientele that is generally presumed to be principally LMI
2. Require documentation on family size and income
<https://www.hudexchange.info/incomecalculator/>
3. Have income eligibility requirements limiting the activity to LMI persons only; or
4. Be of such nature and location that it can be concluded that clients are primarily LMI.

Categories for Presumed Benefit:

Group	Income Level
Abused Children	Extremely low income
Victims of domestic violence	Low income
Severely disabled adults (<i>census definition</i>)	Low income
Homeless persons	Extremely low income
Illiterate adults	Low income
Persons with AIDS	Low income
Migrant farm workers	Low income
Elderly	Low or Moderate income (depends on activity)

Low-Mod Housing (LMH)

Similar to LMC, but measured by *households* instead of people

Occupancy of an assisted housing activity by LMI Households under the LMH subcategory is determined using the following general rules:

- All assisted single unit structures must be occupied by LMI Households;
- An assisted two-unit structure (duplex) must have at least one unit occupied by an LMI Household; and
- An assisted structure containing more than two units must have at least 51% of the units occupied by LMI Households.

Broad
National
Objective

Low-Mod Area (LMA)

Must benefit ALL residents of a particular area that is comprised of 51% or more LMI households

- Documented service area should reasonably coincide with Census Tract boundaries
- Follow Guidelines on HUD's website for demonstrating LMA eligibility
- <https://www.hudexchange.info/programs/cdbg/cdbg-low-moderate-income-data/>

Service area must be primarily residential

- Documented service area should be primarily residential
- Can be checked using the [Norfolk Air mapping tool](#)



Low-Mod Jobs (LMJ)

An LMJ activity creates or retains permanent jobs, at least 51% of which, on a full-time equivalent (FTE) basis, are either held by LMI individuals or are considered available to LMI individuals. This objective is usually associated with economic development activities.

- For activities that create jobs, there must be documentation indicating that at least 51 percent of the jobs will be held by, or made available to, LMI persons; and
- For activities that retain jobs, there must be sufficient information documenting that the jobs would have been lost without the CDBG assistance and that one or both of the following applies to at least 51 percent of the jobs:
 - The job is held by a LMI person; or
 - The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, a LMI person.



HOME Investment Partnerships {24 CFR 92}

HOME Investment Partnerships (HOME) is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-to-moderate income households.

- Single Family Development (New Construction or Rental) Subsidy for CHDOs (Ownership and Rental)
- Operating Support for CHDO's
- Owner-occupied Rehabilitation (must be fully brought up to code)
- Purchase Assistance (Down Payment, Principal Buy-down, closing costs)
- Multifamily Development and Rehabilitation (Affordable and Special Needs)
- Tenant-Based Rental Assistance (TBRA)

See HUD Website for more details on this program:
<https://www.hudexchange.info/programs/home/>

HOME MATCH REQUIREMENTS

HOME requires a 12.5% match

Any funds counted as match must be used for expenses that would be eligible under this program.

Contributions must be expended within the grant period, and noncash contributions must be made within the grant period.

Eligible HOME Match Contributions:

- Cash
- Donated construction materials or volunteer labor
- Value of donated land or real property
- Value of foregone interest, taxes, fees, or charges levied by public or private entities
- Investments in on-or offsite improvements
- Proceeds from bond financing
- The cost of supportive services provided to families living in HOME units and
- The cost of homebuyer counseling to families purchasing home-assisted units



Emergency Solutions Grant {24 CFR 576}

The Emergency Solutions Grant (ESG) program provides homeless persons with basic shelter and essential supportive services.

Allowable Uses for ESG Funding

- Street Outreach
 - Emergency Shelter
 - Homelessness Prevention
 - Rapid Re-Housing Assistance
 - Data Collection (HMIS)
- } Limited to 60% of total ESG funds

*See the [Program Components Quick Reference Guide](#) for more details



ESG Beneficiaries

Each component may only serve eligible beneficiaries as defined in the ESG regulations.

- **Street Outreach essential services:** beneficiaries must meet the “homeless” definition in 24 CFR 576.2
- **Emergency Shelter essential services:** beneficiaries must be “homeless” (24 CFR 576.2) and staying in an emergency shelter, which could include a day shelter
- **Homelessness Prevention:** beneficiaries must meet the requirements described in 24 CFR 576.103
- **Rapid Rehousing:** beneficiaries must meet requirements described in 24 CFR 576.104
- **HMIS:** N/A

ESG recipients are required to use the local Continuum of Care coordinated entry process (reach out to The Planning Council for more information)

ESG MATCH REQUIREMENTS

- A 100% (dollar for dollar) match is required for ESG funds
- Eligible ESG Match Contributions:
 - Other Federal, state or local funds
 - Non-cash contributions such as value of real property, equipment, goods, or services
 - Donations (cash, supplies, building rent)
 - Salary paid to staff & volunteers to carry out the program
- Any funds counted as match must be used for expenses that would be eligible under this program.
- Contributions must be expended within the grant period, and noncash contributions must be made within the grant period.

Application Evaluation Criteria

Minimum Qualifications & Submitted on Time (Pass/Fail)

PLUS:

- 1. Funding Requests (Budget and Cost Effectiveness)**
- 2. Program-Specific Eligibility**
- 3. Program Description and Scope**
- 4. Statement of Need and Outcomes**
- 5. Administrative and Financial Capacity**

Timeline

November 29	Application Opens
December 8	Virtual Public Input Session, 6:00PM (not required)
December 31	Applications Due
Jan-Feb	Applications reviewed and scored
March	Announcement & Publication of Proposed Awards
April	Budget Public Hearing
May	City Council Adopts Budget & Annual Plan
May - June	Contracts Executed
July 1	Programs Begin

*Dates are subject to change



Contact Us!

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