US Dept. of Housing and Urban Development

Implementing CDBG-R Funding under the Recovery Act
June 10, 2009
CDBG-R Overview

- Purpose of ARRA
- Responsible Spending & Prohibitions
- Application & Field Office Reviews
- Reporting Requirements
- Implementation Considerations
Responsible Use of CDBG-R

• Activities must be eligible and meet a national objective
• Activities should address purpose of the Recovery Act
• Grantees must ensure responsible spending
• Grantees must adhere to transparency and reporting requirements
Responsible Use

Activities Should Address the Recovery Act by:

• Preserving and creating jobs and promoting economic recovery
• Assisting those most impacted by the recession
• Providing investment needed to increase economic efficiency
Responsible Use

- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits
- Minimizing or avoiding reductions in essential services
- Fostering energy independence
Responsible Use

- Funds may be used in conjunction with other funding as necessary to complete projects
- However, tracking and reporting must be separate to meet the reporting requirements of the Recovery Act
Application/Review Process

• Local governments’ plans were due June 5

• States Plans are due June 29, 2009

• HUD Will Review Plans for Responsible Spending

• Spreadsheets for Proposed Activities To Be Posted on HUD Website
Review Process and Next Steps

- Expedited Review by Field Office
- HUD approves amendment or returns to grantee for changes
- Grant agreement similar to CDBG with additional award terms relevant to the Recovery Act
- Once approved, CDBG-R funds will be placed in the Line of Credit for drawdown
Reporting

- Section 1512 of Recovery Act
- Federal Funding and Transparency Act of 2006 (FFATA)
- OMB Interim guidance - April 1 & April 23, 2009 Federal Register
- Data requirements & frequency of entry
- Quarterly Reports
- Requirements subject to change in August
Reporting Platform

• Not all details determined—
  – Integrated Disbursement and Information System (IDIS)
  – ARRA reporting system – RAMPS

• Re-engineered IDIS

• Back-filling of data may be required

• Timely and accurate data on a quarterly basis
Anticipated Data Elements

- CDBG elements plus
  - All jobs created/ retained
  - Jobs by category—existing categories
- Subrecipient & Contractor information
- Congressional Districts
- HUD will populate some data fields for grantees
Reporting

Data Elements-General

- General items—name, grant number, tax identification number, account number, other grant information
- Data Universal Numbering System (DUNS) number and Central Contractor Registration
- HUD will populate other areas- CFDA, reporting periods, etc.
Reporting

Data Elements-Project Activity

• Number of jobs created or retained, job categories, performance measures, full-time equivalents

• Infrastructure Projects
  – Leverage Information
  – Rationale for funding activity (ARRA purposes)
  – Contact information
Reporting: Sub-Awardees & Subcontractors

• Who is a sub-awardee?
• Who is a subcontractor?
• First tier subcontract or sub-award greater than $25,000
• Must have & report DUNS number, CCR number, subrecipient name, type, location
• Information on the compensation of officers, if applicable
Reporting

Data Elements

- Sub-Awardees & Subcontractors
- Aggregate awards less than $25,000
- Awards to individuals (total)
Implementation

Reminder of Recovery Act Provisions

• Prioritize activities that can be under contract within 120 days of enactment/receipt of funds

• Use funds to maximize job creation and economic benefit

• No Recovery Act funds for aquariums, casinos, gambling establishments, golf courses, swimming pools, zoos.
Implementation

Reminder of Recovery Act Provisions

• All iron, steel and manufactured goods for public works must be produced in the U.S.

• Reporting on jobs created/retained for all activities (not just economic development activities)
Program Administration:

• Statutory Caps will be based on expenditures for this grant by itself, separate from regular CDBG:
  – 10% for planning and administration
  – 15% for public services
  – 70% overall benefit to low/moderate income persons

• Any Program Income will go to the “regular” CDBG program

• Cannot use CDBG-R with Section 108 Loan Guarantees or for float-funded activities
Implementation

• All CDBG-R funds must be expended by September 30, 2012
• No specific deadline to obligate funds
• Entitlement CDBG Timely Expenditure standards do not apply to CDBG-R
• State CDBG Timely Distribution standards do not apply to CDBG-R
Getting Going Quickly

- Environmental Review
- Contracting & Procurement
- Pre-Award Costs
- Data Entry & Funds Drawdown
Implementation: Environmental Review

- Requirements are the same as for regular CDBG
- Do not commit funds to any projects until the environmental review process has been successfully completed
- Begin the environmental review process quickly
Implementation: Environmental

What if work is underway or completed?

• RISK- Projects that fail to achieve environmental clearance are ineligible
• May be able to use a pre-existing federal environmental review if no changes
Implementation: Environmental

If the same responsible entity has successfully completed environmental review and neither the project nor environmental conditions have changed, additional HUD funding can be provided without a new review.
Implementation: Environmental

• Your HUD Environment website:
  http://www.hud.gov/offices/cpd/environment/index.cfm

• Website includes the name, address and phone number for HUD’s Field Environment Officers
Labor Standards Implementation

• Section 1606 expands Davis Bacon coverage beyond regular CDBG provisions for all Recovery Act funding
• See Department of Labor All Agency Memo #207, issued May 29, 2009
• More details on federal labor standards can be found by visiting www.hud.gov/offices/olr
Davis-Bacon Act Implementation for CDBG-R

- no 8-unit threshold
- Covers construction work over $2000 on residential property of any size, including single-family properties
- No exclusion when CDBG-R funds are used only for soft costs (acquisition, architectural/engineering fees, equipment).
- No exemption for bona-fide volunteers
Davis-Bacon Act Implementation for CDBG-R

- Section 1606 Davis-Bacon requirements do not apply retroactively to projects that were awarded or under construction prior to notice of Recovery Act funding; Davis-Bacon requirements apply as of the date of approval of Recovery Act assistance.
CDBG-R

• Grantee Presentations on Expediting Implementation of CDBG-R Funding
CDBG-R

Question and answer period