



Community Development Block Grant (CDBG)

Subrecipient Orientation | June 20, 2023 | 2:00 pm



Financial and Management Services Department, Financial Operations Division

Agenda

1. Welcome
2. Introductions
3. CDBG – HUD Basics
4. National Objective Overview
5. CDBG Income Limits
6. Participant Eligibility
7. Subrecipient Agreement
8. Compliance & Reporting
9. Common Challenges
10. Q&A
11. Federal Regulatory Regulations
12. Closing

Introductions



Felicia London

- Purchasing & Sustainability Division Manager



Ana LeNoue

- HUD Consultant



Viviana McDaniel

- Grants Program Manager



Melissa Aguilar

- Program Manager



Valeria Martin

- Grants Management Analyst



Liza Lopez

- Sr. Program Coordinator

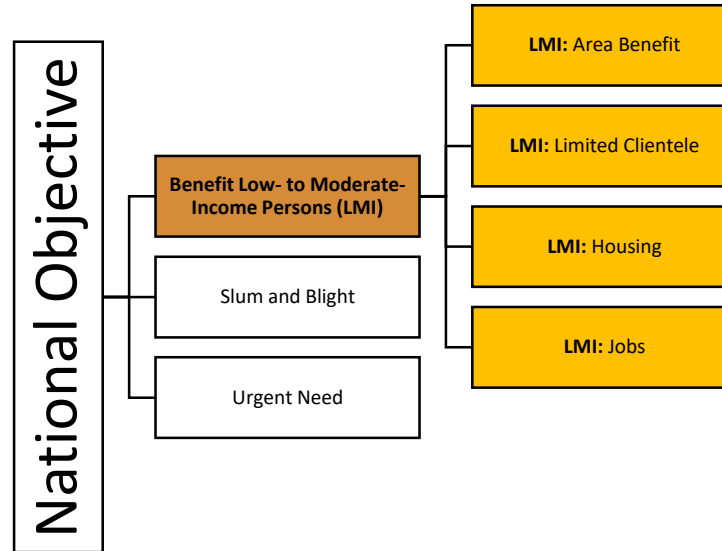
City of Moreno Valley

Avant Garde

CDBG – HUD Basics

- Moreno Valley (“City”) is an “Entitlement City”
- The City is considered the HUD Grant Recipient (grantee).
- Each of you are Subrecipients (sub-grantees) carrying out activities identified in the City’s 2023-2028 Five Year Consolidated Plan and 2023-24 Annual Action Plan

National Objective Overview



Participant Eligibility

1. Benefitted person(s) should be City residents.
2. Limited Clientele Activity (LMC):
 - Subrecipient forms should at a minimum include the number of household members, names and age of household members, annual household income from all sources.
 - Use HUD 2023 Income Limits (Effective 05.15.23) for Riverside County to qualify applicant.

CDBG Income Limits

Maximum Annual Household Income Limits as Determined by HUD
effective May 15, 2023

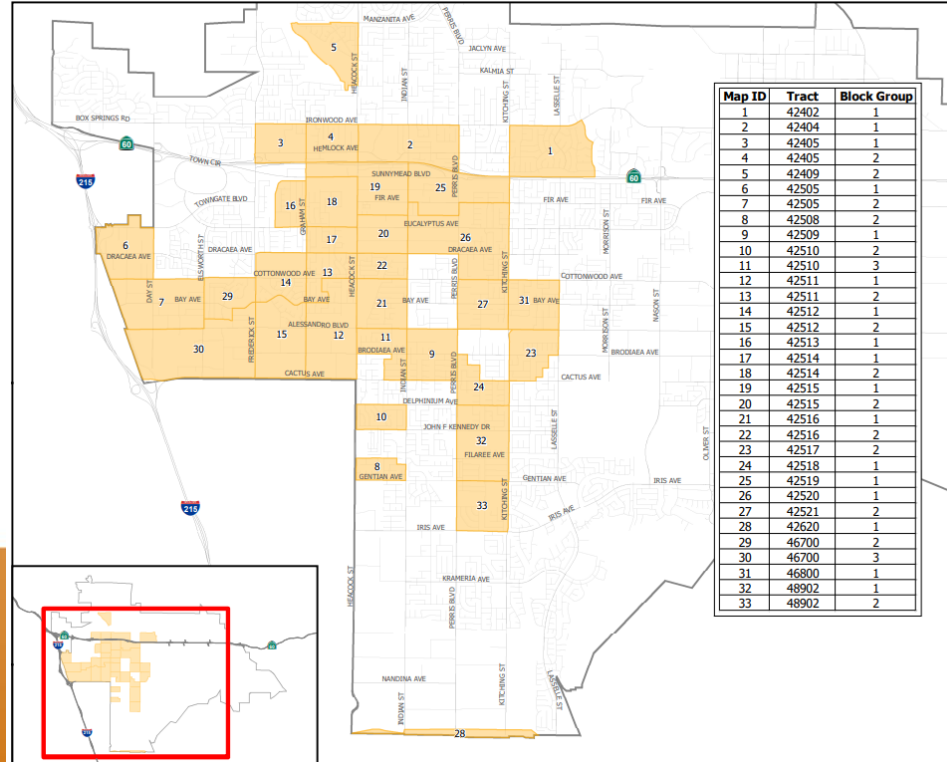
of Persons in Household

	1	2	3	4	5	6	7	8
Extremely Low Income (30%)	\$19,600	\$22,400	\$25,200	\$30,000	\$35,140	\$40,280	\$45,420	\$50,560
Very Low Income (50%)	\$32,650	\$37,300	\$41,950	\$46,600	\$50,350	\$54,100	\$57,800	\$61,550
Low Income (80%)	\$52,200	\$59,650	\$67,100	\$74,550	\$80,550	\$86,500	\$92,450	\$98,450

Participant Eligibility cont.

- Annual Income Verification.
 - Applicant may self-certify for minimum benefits.
 - For more significant benefits, applicant must provide suitable evidence (household IDs, pay stubs, bank statements, etc.), or
 - Applicant qualifies as "Presumed Benefit" LMI individual including abused children, battered spouses, persons 62+, homeless, etc. (see 24 CFR 570.208).
- 3. Area Benefit Activity (LMA):
 - HUD Area Census Tract map for 2023 is typically used to verify activity located in a LMI area.

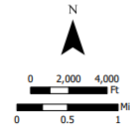
LMA Map



City of Moreno Valley HUD Low-Mod Census Tracts/Blocks 2022

Effective Date: July 1, 2023
Note: Subject to update by HUD

HUD Low-Mod Tracts/BlkGrps



Map Produced by Moreno Valley
Geographic Information System
Geographic Information System
State Plane NAD 83 California Zone 6 Feet
City Divisions/Finance/2022/IMXD/
CDBG_HUD_Tracts117228.mxd
21 November 2022

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map.





Agreement Walk Through

Uniform Guidance

UNIFORM GUIDANCE AGREEMENT REQUIREMENTS

Compliance with 2 CFR 200.331(a)(1)	
Subrecipient Name	
Unique Entity ID#	
FEIN #	
Federal Award Identification Number (FAIN)	B-22-MC-06-0567
Federal Award Date	[TBD]
Subaward Period of Performance Start and End Date	July 1, 2023]– [TBD]
Amount of Federal Funds Obligated	
Total Amount of Federal Funds Obligated to the Subrecipient (including the current obligation)	
Total Amount of the Federal Award committed to the subrecipient	
Federal Award Agency	U.S. Department of Housing and Urban Development
Pass-through Entity	City of Moreno Valley
Contact Information for City of Moreno Valley	Mike Lee, City Manager PH: 951.413.3450 Email: grantsadmin@moval.org
CFDA Number	14.218
CFDA Name	Community Development Block Grant (CDBG)
CDBG Eligible Activity Code/Category	
National Objective Code/Key	
R&D Federal Award? Identification #	N/A
Indirect Cost Rate	10% De Minimus on MTDC per 2 CFR 200.414(f)
Federal Award Project Description	

Recitals, Sections: 2, 3, 4

2. PURPOSE. Subrecipient promises and agrees to undertake and assist with the community development activities, as specifically identified in Exhibit "A", by utilizing the sum as provided in Exhibit "B" Line-Item Budget Form to fully implement the scope of services, and by this reference is incorporated herein, together with all provisions incorporated in said Exhibit "A."

3. TERM OF AGREEMENT. The term of this Agreement shall be for a period of [] months, retroactive to [] and expiring on []. If compliance with the completion schedule determination of the City, the schedule for the project(s) may be extended by written consent of an authorized representative of the City. If substantial progress toward completion, as determined by the City, of a project(s) is not made during the term of this Agreement, the entitlement funds associated with the project(s) may be reprogrammed after appropriate notice is given to Subrecipient.

4. DISPOSITION OF FUNDS. The City shall make payment of the grant funds to Subrecipient as designated in Exhibit "A" and monitor the performance of the prescribed program to ensure compliance with applicable federal regulations and the terms of this Agreement. The budget as mutually agreed upon by both parties is included as Exhibit "B". It is expressly agreed and understood that the total amount to be paid by the Grantee under this Agreement shall not exceed the amount

Recitals, Sections: 7, 8

7. REPORTS. The Subrecipient will submit via email to grantsadmin@moval.org all monthly reports on financial, performance status, and compliance. Failure to provide such monthly reports will prevent the processing by the City of Subrecipient's request for reimbursement and, in the absence of mitigating circumstances as determined by the City, will be cause for the City to terminate this Agreement. Failure to provide timely reporting and documentation may result in the suspension of either current or future funding for the Subrecipient. Specific report requirements are detailed in the attached Exhibit "A" – Scope of Services, and report forms, as may be applicable, are provided as attached Exhibit "C-1", and Exhibit "C-2".

8. RECORDS TO BE MAINTAINED. The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Records shall be maintained for a minimum of 5 years after the expiration or termination of the Subrecipient agreement under 2 CFR 200.333. Such records shall include but not be limited to:

- (A) The Subrecipient shall maintain a separate financial account for CDBG funds.
- (B) Financial records shall be maintained by Subrecipient in accordance with Generally Accepted Accounting Principles, and in a manner which permits City to trace the expenditures of funds to source documentation. All books and records of Subrecipient are to be available for inspection at any time during the business day by an authorized representative of the City, and by any representative authorized pursuant to the Act to audit CDBG programs.
- (C) Standards for financial management systems and financial reporting requirements are established by 2 CFR 200.302 and shall be fully complied with by Subrecipient. Subrecipient acknowledges that the funds provided are federally funded.

Recitals, Sections: 9, 11

9. GENERAL CONDITIONS/ FEDERAL REQUIREMENTS. Subrecipient shall comply with all policies, guidelines, and requirements of 24 CFR 570, effective September 1988; and Uniform Administrative Requirements 2 CFR 200, as applicable and as amended, as they relate to the acceptance and use of federal funds under this Agreement.

By executing this Agreement, the Subrecipient hereby certifies that it will adhere to and comply with the following, as they may be applicable to the CDBG program:

- (A) Section 109 of Title 1 of the Housing and Community Development Act of 1974 concerning nondiscrimination, as amended, and the regulations issued pursuant thereto;

11. PROCUREMENT PRACTICES. The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the Grantee prior to the execution of such Agreement. The Subrecipient will monitor all subcontracted services if any on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance. The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement. Provided Grantee shall give its written consent, the Subrecipient shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements as defined in 2 CFR 200.318-326. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

Recitals, Sections: 12, 14

12. MONITORING AND REPORTING PROGRAM PERFORMANCE. The City shall monitor the Subrecipient's program activities to assure compliance with applicable federal regulations and that performance goals are being met in accordance with 2 CFR 200.331 (b); and 2 CFR 200.331 (d) – (g), and the CITY's CDBG program.

14. CLOSE-OUTS. The Subrecipient's obligation to the Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG

Exhibits - cont.

Exhibit C-1

City of Moreno Valley CDBG MONTHLY STATISTICAL & ACCOMPLISHMENT REPORT REPORT FY: /

Agency Name: _____
 Project Title: _____
 Date: _____
 Program's Name: _____
 Reporting Agency/Person: _____

ACCOMPLISHMENT NARRATIVE:
 Describe the program's overall performance accomplishments, as they relate to the program area.
 Include the identification of the activity that has been completed, and a description of the activity's purpose. A description of the activity and results is preferred, and a description of the activity's purpose is preferred.

UNIT'S SERVED REPORT

UNIT'S SERVED REPORT	GOAL (By Unit)	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL YTD
RENTEE:														
Total No. of NEW/UNEMPLOYED Units/Persons Served this Month														
Number of Persons (Final Served Overall)														
UNIT'S SERVED REPORT														
Number of People with New or Continuing Access to a Service or Benefit														
Number of People with Improved Access to a Service or Benefit														
Number of People that Remain or Reenter that is No Longer Substantiated														
Other Accomplishments														
Total No. of Above/Total Persons Served (Final Served Overall)														
Program Accomplishments														
INCOME														
Number of "Household head(s)" persons indicated with "H" in column(s)														
Number of Low Income Clients (LIC)														
Number of Moderate Income Clients (MIC)														
Number of High Income Clients (HIC)														
Total Income (Total Rows 1-4) * 100% of client's equal share A.														
RACE/ETHNICITY														
Asian, Non-Hispanic														
Black or African American, Non-Hispanic														
Hispanic or Latino, Non-Hispanic														
White, Non-Hispanic														
Other Race/ethnicity														
Total Race/ethnicity (Total Rows 5-9) * 100% of client's equal share A.														

Exhibit C-2

Exhibit C-2

COMPLIANCE CERTIFICATION
2022-2023 CDBG
[Program Name]

INVOICE DATE/ INVOICE NO. : _____

[Subrecipient Name] hereby certifies that the below procedures were performed, and policies, guidelines, and requirements (among other regulations) related to the acceptance and use of CDBG funds have been adhered to and complied with as stipulated in the executive agreement for the above-mentioned program:

Y/N/NA

Subrecipient files have documentation showing that at least 51% of the beneficiaries are members of a presumed benefit group.
 [24 CFR 570.208(a)(2)(i)(A) and 24 CFR 570.506(b)(3)(i)]

Circle the Beneficiaries of the [Program Name] (Served this Month):

Abused Children	Elderly Persons
Battered Spouses	Severely Disabled Adults
Homeless Persons	Illiterate Adults
Persons Living with AIDS	Farm Workers

If Beneficiaries are not listed above, please see below:

Subrecipient files have documentation showing that at least 51% of the beneficiaries are members of a low- and moderate-income family.
 [24 CFR 570.208(a)(2)(i)(B) and 24 CFR 570.506(b)(3)(ii)]

If the activity was classified based on income, the appropriate income limits were used when checking the income of the persons served (the correct year and the correct family size).
 [24 CFR 570.3; 24 CFR 570.208(a)(2)(i)(B) or (C); and 24 CFR 570.506(b)(3)(iii)]

Name & Signature of Preparer _____ **Date** _____

Name & Signature of Authorized Supervisor, Executive Director _____ **Date** _____



Exhibits - cont.

Exhibit D-1

Exhibit D

CITY OF MORENO VALLEY
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Subrecipient Payment Request FY _____ / _____

AGENCY NAME: _____ DATE: _____
 PROJECT TITLE: _____ INVOICE NO.: _____
 PREPARER'S NAME: _____
 EMAIL: _____ PHONE: _____

ACCOUNT SUMMARY:

Approved CDBG Budget _____
 CDBG Reimbursements Received To Date _____
 Pending Reimbursements To Date (including this invoice) _____
 Remaining CDBG Balance \$ _____

CURRENT REQUEST:

CDBG BUDGET LINE ITEM PER APPROVED AGREEMENT <small>(List individual line item costs per approved budget, Exhibit "B")</small>	BUDGET AMOUNT \$	(PREVIOUS REQUESTS)	(CURRENT AMOUNT REQUESTED FOR REIMBURSEMENT)	REMAINING BUDGET BALANCE
PERSONNEL COSTS:				
Salaries			\$ -	\$ -
Fringe Benefits			\$ -	\$ -
Total Personnel Costs:	\$ -	\$ -	\$ -	\$ -
OPERATING COSTS: <small>(List individual operating line item costs)</small>				
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
Total Operating Costs:	\$ -	\$ -	\$ -	\$ -
TOTAL: (Personnel Costs + Oper. Costs)	\$ -	\$ -	\$ -	\$ -

TOTAL PAYMENT REQUESTED THIS INVOICE: \$ -

NOTE: Corresponding back-up source documentation must be attached. The "Documentation Required for Reimbursement Checklist" may be included as back-up and/or used for guidance in preparing the submittal.

Signature of Preparer _____ Date _____

Signature of Authorized Supervisor, Executive Director, or Board Member _____ Date _____

For City Use Only: Date Received: _____ By: _____

P.O. No.: _____ Amt. \$: _____
 Inv. No.: _____ Acct. No.: _____
 Inv. Date.: _____ Auth. By: _____

Exhibit D-2

**PROGRAM INCOME EARNED & RECAPTURED FUNDS
RECEIVED & USED REPORT**

Monthly Summary of Program Income and Recaptured Funds Received and Used

Fiscal Year: _____
 For the Month of: _____
 Preparer: _____
 Date Prepared: _____

PROGRAM INCOME EARNED/RECEIVED				PROGRAM INCOME USED				Program Income Balance
Date	Source	Amount	Total to Date	Date	Project Name	Amount	Total to Date	
Total P.I. Available			\$	Total P.I. Used			\$	\$

RECAPTURED FUNDS RECEIVED				RECAPTURED FUNDS USED				Recaptured Fund Balance
Date	Source	Amount	Total to Date	Date	Project Name	Amount	Total to Date	
Total RF Available			\$	Total RF Used			\$	\$

Exhibits - cont.

Exhibit E

EXHIBIT E SECTION 3 REQUIREMENTS

Economic Opportunities for Section 3 Workers and Section 3 Business Concerns 24 CFR Part 75

The requirements of Section 3 apply to recipients of HUD funding for Section 3 covered Project(s) in which the total amount of the assistance is more than **\$200,000 on a project-by-project basis**. HUD defines the term Project as a site or sites together with any buildings and improvements located on the site(s) that are under common ownership, management, and financing. Section 3 applies to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

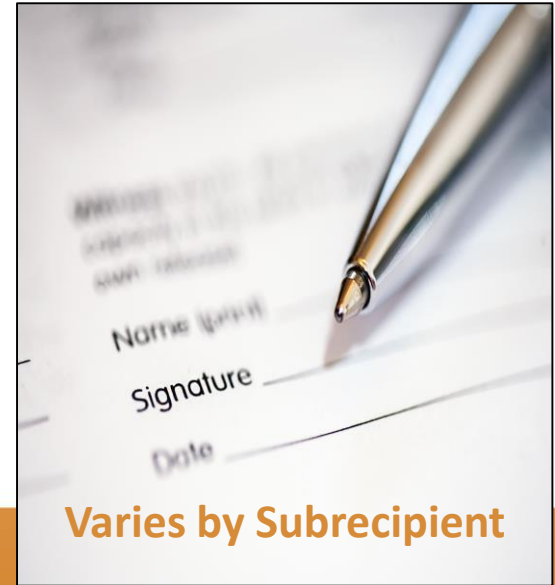
Contractors and Subcontractors are also subject to Section 3's requirements when performing **any** type of activity on Section 3 covered projects for which the total amount of funding for a given project is more than \$200,000.

Section 3 Benchmarks

When Section 3 is triggered by the threshold above, all parties must attempt, to the "greatest extent feasible," to meet the minimum numerical goals as follows:

- At least **25%** of all labor hours must be performed by Section 3 Workers
- At least **5** of all labor hours must be performed by Targeted Section 3 Workers

Exhibit F





Reporting & Monitoring

- Participant Eligibility
- Monthly Performance Statistics
- Request for Reimbursement
- Monitoring

Common Challenges

- Monitoring identifies non-compliance of HUD regulations resulting in a Finding. Common Findings include:
 - Inadequate record keeping; Lack of adequate accounting policies and procedures and internal controls.
 - Monitoring identifies non-compliance of City Agreement resulting in a Concern. Common Concerns include:
 - Late filing of invoices; Incomplete reporting; Lack of promotion

Q & A



Federal Regulatory Requirements

- Title 2 of Code of Federal Regulations Part 200 ([2 CFR Part 200](#))- Uniform Administrative Requirements:
 - Conflict of Interest ([200.112](#))
 - Standards of Financial Management ([200.302](#))
 - Internal Controls ([200.303](#))
 - Program Income ([200.307](#))
 - Procurement Standards ([200.320](#))
 - Monitoring ([200.329](#))
 - Direct & Indirect Cost Principles ([200.412](#) & [200.413](#))
 - Audit Requirements ([200.501](#))

Federal Regulatory Requirements cont.

- Title 24 of Code of Federal Regulations Part 570 ([24 CFR Part 570](#))- Basic provisions for all CDBG grants:
 - Eligible Activities; National Objectives
 - Records to be maintained
 - Labor standards (Davis-Bacon Prevailing Wage)
- Section 3 requirements for HUD awards in excess of \$200,000 for Covered Projects. Most CDBG and ESG programs are exempt.
- Various non-discrimination and affirmative action regulations.

HUD Exchange – CDBG Resources

- Register for [HUD Exchange Account](#)
- [*Basically CDBG Online Review*](#)
- [*Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems*](#)

We're Here to Help!

Moreno Valley

Call: 951.413.3450

Email:

grantadmin@moval.org

Avant Garde

Liza Lopez, Sr. Program Coordinator

Phone: 909.816.5132

Email: llopez@agi.com.co

Melissa Aguilar, Program Manager

Phone: 909.816.2384

Email: maguilar@agi.com.co