



# Community Development Block Grant

**2021-22 SUBRECIPIENT TRAINING**

**February 12, 2021**

# AGENDA

- WELCOME AND INTRODUCTIONS
- CDBG OVERVIEW
- ACTIVITY ELIGIBILITY
- CONTRACTING, PROCUREMENT, FINANCIAL SYSTEMS, RECORD-KEEPING & INVOICING
- REPORTING & MONITORING AUDITS
- DAVIS BACON, SECTION 3 & ERR's
- CONFLICT OF INTEREST



# OFFICE OF AFFORDABLE HOUSING

- LEAN AND (not so) MEAN = Three and ½ staff people (Roberta, Toni, Jessica, Me)
- PROVIDE FUNDING THROUGH THESE RFPS
- CONDUCT PLANNING, REPORTING, ACCOUNTING, MONITORING FUNCTIONS FOR FUNDING CONTRACTS AS REQUIRED BY HUD AND THE STATE OF NM
- ADMINISTER SANTA FE HOMES PROGRAM (INCLUSIONARY REQ'M), ENSURE COMPLIANCE, MEMBER OF DRT
- REFERRAL TO SERVICE AND HOUSING PROVIDERS IN THE COMMUNITY
- RESEARCH, POLICY DEVELOPMENT, COMMUNITY ENGAGEMENT, AND OUTREACH RELATED TO HOUSING

# CDBG OVERVIEW

- The City of Santa Fe is one of five “entitlement” communities in New Mexico as classified by Department of Housing and Urban Development (HUD).
- Entitlement communities can develop their own programs and funding priorities as long as their programs conform to HUD’s CDBG statutory standards and program regulations.
- ALL CDBG subrecipients are held to the same level of oversight and regulation as the entitlement grantee (the City of Santa Fe).
- Funded activities must support the objectives of the five-year **Consolidated Plan** which is updated annually through the **Annual Action Plan** which informs the public about the use of federal funds. Available on the OAH webpage.



# CDBG OVERVIEW (cont.)

- City of Santa Fe is an “entitlement” city and receives funds directly from Dept. of Housing and Urban Development (HUD)
- Amount of grant averages \$600,000 - \$700,000 per year
- Use of funds must meet at least one national objective:
  - Benefit to low- and moderate-income (LMI) persons;
  - Aid in the prevention or elimination of slums or blight;
  - Meet a need having a particular urgency (referred to as urgent need).
- Santa Fe uses its funds exclusively for LMI benefit.
- **\*\*For 2021-22, the CDC will prioritize projects that focus on ending housing instability\*\***



# CON PLAN GOALS

- **Goal 1:** Reduced rate of households with cost burden and corresponding drop in poverty rates
- **Goal 2:** Inventory of very low income rental units and vouchers is expanded to meet increased demand
- **Goal 3:** Homeownership is an opportunity for current “buyer ready” households and long-term affordability is sustained for current homeowners
- **Goal 4:** Housing choices reflect emerging needs, market demand and demographic realities and are aligned with redevelopment projects, economic development objectives and sustainability goals.



# ELIGIBILITY OF USES

- Acquisition, disposition, remediation of property for public uses
- Public facilities and improvements
- Public services (15% cap) directly related to housing needs, particularly those who are precariously housed, experiencing homelessness or at risk of homelessness
- Infrastructure
- Housing Rehabilitation (construction of new units is allowable under limited conditions)
- Homeownership assistance (mortgage principal buydown loans, home repair assistance)

# CONTRACTING WITH THE CITY

- Once a funding amount is recommended by the CDC, a draft scope of work + amount is approved to form by CAO (includes CRS# + CoSF business license#);
- **Register as vendor in City's Munis System**  
<https://santafenm.munisselfservice.com/Vendors/default.aspx>
- City requires evidence of insurance (\$1,000,000): general liability, professional liability, workers' comp
- Contract is approved by Quality of Life (QOL) Committee, Finance Committee and City Council
- Executed contract and copy of PO will be sent to you which is your "notice to proceed"



# PROCUREMENT

- Follow a **free and open competitive process** in securing products or services
- Properly **document** your purchasing activities and decisions
- Observe the special **rules for particular kinds of purchases** (small purchases, competitive sealed bids, competitive proposals, and sole source procurements)
- **Properly bond and insure** work involving large construction contracts and/or subcontracts
- Use **local businesses** and contract **with small, minority and/or women-owned businesses** to the maximum extent feasible

# FINANCIAL SYSTEMS

- City requires compliance with audit (or fiscal agent) with standard accounting systems with ability to create sources/uses reports;
- Organizational financial policies, procedures and organizational chart that shows fiscal control;
- Files should contain documentation of all expenses, invoices and procurement method;
- Files should show matching/leveraged sources of funds and system for tracking their uses.



# RECORD KEEPING

- **Administrative records:** personnel files; property management files; general program files (the subrecipient's application, the Subrecipient CDBG Agreement, program policies and guidelines, correspondence with grantee and reports, etc.); Legal files (articles of incorporation, bylaws of the organization, tax status, board minutes, contracts, leases and other agreements);
- **Financial records:** described on previous slide
- **Project/case files:** Documentation of funded activities, individual beneficiaries, property owners, and/or properties, including income verification and determination of eligibility.



# INVOICING

- Invoice submitted monthly or quarterly with quarterly reports; due **NO LATER** than 15<sup>th</sup> of the following month;
- Cover invoice, titled “Invoice,” referencing PO#, name of project, name/address of payee, contact person, shows use of funds to date and balance remaining;
- Quarterly report attached with description of progress to date according to scope of work, # of people served by AMI% and type of service provided, \$ amount of assistance – do NOT include names, SSNs or any confidential info;
- Record expense (supporting documentation such as copies of invoices, payroll, timesheets, etc.) and provide proof of payment (canceled checks, bank statement);
- 10 days – 2 weeks to process payment — delayed if not all supporting documentation is received.



# REPORTING


- Complete CDBG or AHTF reporting form (separate from invoice summary) and submit to City
- Due on the 15<sup>th</sup> of the following month of each end of quarter. The due dates are:
  - October 15, 2020**
  - January 15, 2021**
  - April 15, 2021**
  - July 15, 2021**
- Provide success stories, copies of media coverage, event materials and the City will broadcast through Public Info Office, Facebook, TV/radio/podcasts.

# MONITORING AUDITS

- Following end of quarter, you will receive monitoring/site visit notification that describes area to be monitored;
- A self-reporting form will be filled out and submitted to City which will be used as basis for site visit;
- Areas monitored include: participant eligibility, financial systems, fair housing policies, lead-based paint, Section 3, other federal regulations;
- Findings letter sent to grantees within 30 days after site visit;
- Subrecipient has 15 days to cure deficiencies.



**BREAK TIME!**



**Take  
A  
Break**



# DAVIS-BACON KEY POINTS

- Davis-Bacon is triggered when construction work over \$2,000 is financed in whole or in part with CDBG funds.
- All bid documents, contracts, and subcontracts should reference Federal Labor Standards and Davis-Bacon wage decision.
- CDBG subrecipient must have a contract with their contractor.
- You must ensure contractor is eligible (not debarred) for Federal work. <http://www.sam.gov> and select “Search Records”.
- Davis-Bacon wage decision & Notice to all Employees **must** be posted at the job site.
- The City will conduct onsite inspections and interviews with employees of the contractor/subcontractor to ensure that prevailing rates are paid.
- Contractor must submit payroll reports to the Subrecipient on a weekly basis which is then submitted to the City.



# ENVIRONMENTAL REVIEWS

- Conducted prior to work being performed to assess potential environmental impacts and establish that no adverse effects on end users
- City is “Responsible Entity” (RE) and determines level of review
- “Exempt” projects (public services) have broad level of review
- “Tiered Assessments” are required for public facilities and when a repetitive activity is carried out in variety of locations (Down payment and Home Repair)
- Public Notice of 15-17 Day Review Period Required for projects subject to site specific reviews

# ENVIRONMENTAL REVIEWS

- Mortgage Principal Reduction – Request for review must be sent in at least 2 weeks (3 weeks is better!) prior to closing
  - SSR Checklist
  - Appraisal
  - Flood Certification
  - Income Certification
  - Location (w/date of construction)
  - Cover Form w/Requested Amount
- Home Repair Projects – Tier II – Must obtain approval from NM Historic Preservation Division (can add 2 weeks+ to the process)
  - SSR Checklist
  - Income Certification
  - Lead Paint Non-Disturbance
  - Location map
  - Quotes Submitted with Before Pictures
  - Before/After pictures



# SECTION 3 - 24 CFR Part 135

- The Section 3 regulations apply to projects receiving federal financial assistance in excess of \$200,000 expended for: (1) housing rehabilitation (including abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects.
- Section 3 residents include public housing residents and low and very low income residents who live in the area where HUD-assisted activities are located.
- Section 3 businesses are defined: 51% ownership are Section 3 residents; or whose full-time employees (30%) are Section 3 residents; or is committed to subcontracting at least 25% of federal award to Section 3 businesses.

# CONFLICT OF INTEREST

- **24 CFR § 570.611**
- Applies to employees, agents, consultants, officers of the board, or elected/appointed officials of your organization who
  - Exercise any functions or responsibilities related to AHTF-funded activities
  - Participate in decision-making processes
- Results in obtaining inside information, a financial interest or benefit as a result of an AHTF activity for themselves or someone with immediate business or family ties.



# RFP Important Dates

- **February 12:** Subrecipient/Grantee training
- **February 17:** Last day to submit written questions ([agladd@santafenm.gov](mailto:agladd@santafenm.gov))
- **February 24:** Submittals DUE @ 3pm
- **ELECTRONIC SUBMITTAL ONLY to:**  
[purchasing@santafenm.gov](mailto:purchasing@santafenm.gov)
- **March 3, 8:30am – 3:30pm:** Applicant Presentations (15 min/project) to the Community Development Commission via Zoom (Schedule TBD)



# THANK YOU!

## **Contracting, invoicing, payments:**

Roberta Catanach, Contract Administrator: 505-316-4565

Email: [rlcatanach@santafenm.gov](mailto:rlcatanach@santafenm.gov)

## **Quarterly reporting, monitoring, general assistance:**

Toniette Candelaria Martinez, Project Specialist: 505-316-4634

Email: [tocandelariamartinez@santafenm.gov](mailto:tocandelariamartinez@santafenm.gov)

## **ERRs, HUD reporting:**

Jessica Sandoval, Fiscal Manager

Email: [jmsandoval@ci.santa-fe.nm.us](mailto:jmsandoval@ci.santa-fe.nm.us)

## **Procurement Manager:**

Alexandra Ladd, Director of Office of Affordable Housing

Email: [agladd@santafenm.gov](mailto:agladd@santafenm.gov)