

CDBG Subrecipient Training

July 16, 2026



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Agenda

1. Welcome & Introductions – City Contacts
2. Contract Compliance 101
3. CDBG Updates for 2026
4. Invoice and Payment Requirements and Benchmarks
5. New (soon to be released) CDBG Subrecipient Guide
6. Q & A





Grants Points of Contacts @ PED

Grants Specialists: first point of contact and contract manager

- Zong Vang (DBNHS, Rondo CLT, NENO + HOME and City Housing Development Projects)
- Tchu Yajh (Ramsey County Block Nurse and Lead Window, + City CDBG Projects and Monitoring/TA)
- Austria Castillo (Neighborworks, ESNDC, Hearts and Hammers + ESG)

Grants Compliance Supervisor, PED

- Jessica Deegan

Grants Administrator, PED

- Beth Ulrich

Other City Contacts

- Contract compliance at HREEO
 - Prevailing Wage (Ethan)
 - VOP (Bret)
 - AAEEEO (Yia)
 - Section 3 (Pricilla)
- Environmental Reviews (Stefan)
- Historic Preservation (George)
- Accounting (Tim)



Your PED Federal Grants Team: Zong, Tchu, Beth, Jessica, and Austria

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Contract Compliance Areas @ HREEO:

1. Vendor Outreach Program – Bret Bicoy
2. Prevailing Wage – Ethan Hansing
3. Affirmative Action/Equal Opportunity (AA/EEO) – Yia Thao (Presented by Austria Castillo)
4. HUD Section 3 (we won't cover in detail today) – Priscilla Vang



Vendor Outreach Program (VOP)

- Applies to projects with a total development cost over \$50,000.
- Establishes a goal of 25% of the sub-contracting opportunity be awarded to certified small, local businesses.
- Businesses must be CERT certified to count toward VOP goals.
- Reporting requirements will be discussed further at a pre-bid or pre-construction meeting.

VOP responsibilities



Access the CERT directory
<https://cert.smwbe.com/>



Reach out to CERT certified businesses for
each scope of work, supply, service



Keep records of vendors solicited for bids
and responses received



Include VOP specs with subcontracts



Payment reporting
<https://stpaul.diversitycompliance.com/>





Can use the CERT list/directory to find small local vendors, even if VOP is not a requirement on your project



Encourage small local businesses to become CERT certified

Certification is free and lasts for 3 years

Contact the CERT program directly

Vendor Outreach Program

Primary Contacts:

Bret Bicoy, Compliance Coordinator
bret.bicoy@ci.stpaul.mn.us

General Compliance Inbox
contractcompliance@ci.stpaul.mn.us

CERT

[https://cert.smwbe.com/
Cert@strongandstarlike.com](https://cert.smwbe.com/Cert@strongandstarlike.com)
651-288-4041



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Prevailing Wage

Prevailing Wage will apply to your project if:

1. It involves any kind of construction work;
2. You are receiving federal funding money (e.g., CDBG money), and;
3. The total cost of your project meets or exceeds \$2,000.

WHAT IS PREVAILING WAGE?

Prevailing wage is like a minimum wage for construction workers. Your contract with the city will contain a list of hourly rates of pay for various types of construction workers. If prevailing wage is triggered on your project, your contractors will need to ensure they're paying their workers at the minimal rates provided in the contract and they will need to submit the payroll of their workers to the city via LCP Tracker, an online payroll reporting system.

Prevailing wage may increase the cost of your project.



Prevailing Wage – What do you have to do?

1. When you're looking for contractors make sure to tell them as soon as possible that your project is a prevailing wage project; most contractors are familiar with prevailing wage. Some contractors do not like working on prevailing wage projects because it can involve more work on their end.
2. Make sure to include the prevailing wage paperwork the city provides to you in your contracts with your contractors.
3. During the project, your contractors will be required to submit their workers' payroll to the city.
4. If they don't pay the required rates to their workers, or fail to submit their payroll to the city, it can delay or prevent payment from the city to you.
5. Any work occurring at the same time and place as your STAR work may become subject to prevailing wage. Contact staff for more information.
6. All of this will be discussed in more detail later on. If you have any immediate questions please email us at ContractCompliance@ci.stpaul.mn.us.

Prevailing Wage

Compliance Coordinator

Ethan Hansing

Human Rights and Equal Economic Opportunity (HREEO)

15 W Kellogg Blvd CH 280

Saint Paul, MN 55102

P: (651) 266-8921

Ethan.Hansing@ci.stpaul.mn.us



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Affirmative Action/Equal Employment Opportunity

This City of St Paul ordinance requires any organization receiving \$50,000 or more in City of St. Paul funds to have a certified Affirmative Action Plan (AAP) before the city will finalize the contract. Key requirements include:

- Any organization receiving \$50,000 or more in City of St. Paul funding during a 12-month period is required to submit an Affirmative Action Plan (AAP) for certification as a condition of contracting with the City.
- The AAP outlines the organization's Equal Employment Opportunity (EEO) policy and affirmative action practices.
- The City of St. Paul provides an AAP template for organizations that need one.
- An AAP application and the required certification fee must be submitted to the Human Rights and Equal Economic Opportunity (HREEO) Department.
- HREEO must certify the AAP before any city contract subject to the ordinance can be signed.
- This requirement is intended to ensure that organizations doing substantial business with the City of St. Paul maintain policies and practices that promote equal employment opportunity.

AA/EEO enforcement

Compliance Coordinator

Yia Thao

She/her

Human Rights and Equal Economic Opportunity (HREEO)

15 W Kellogg Blvd CH 280

Saint Paul, MN 55102

P: (651) 266-8928

Yia.thao@ci.stpaul.mn.us



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Clarification on Build America, Buy America

- 1-4 unit housing projects are not considered public infrastructure and are exempt.
- None of the other subrecipient programs currently otherwise have BABA compliance needs.

Housing projects with one to four units are considered “private,” consistent with HUD’s definition of single-family housing. Housing projects with one to four units, including onsite utilities and related activities are therefore not considered public infrastructure and are not subject to the Buy America Preference (BAP).

<https://www.hud.gov/sites/dfiles/OCHCO/documents/cpd-25-01.pdf>

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Subrecipient Resources Web Page

www.stpaul.gov/conplan
(scroll to CDBG Resources)

Other forms or resources that would be helpful – let us know!

CDBG Resources

Subrecipient Training Materials

- [July 17, 2025 Subrecipient Training - slides](#) 
- [July 11, 2024 Subrecipient Training - slides](#) 
- [July 6, 2023 Subrecipient Training - slides](#) 

Contracting

- [Sam.gov and Universal Entity Identifier \(UEI\) guidance](#) 
- [Federal Labor Standards](#) 
- [Section 3 Compliance Packet](#) 

Program Management

Income Affidavit

- [Income Affidavit form for 2026](#) 

File Checklists

- [CDBG Homeowner Rehabilitation Checklist](#) 
- [CDBG for Commercial Rehabilitation Checklist](#) 

HUD-Developed Resources

- [Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems](#)



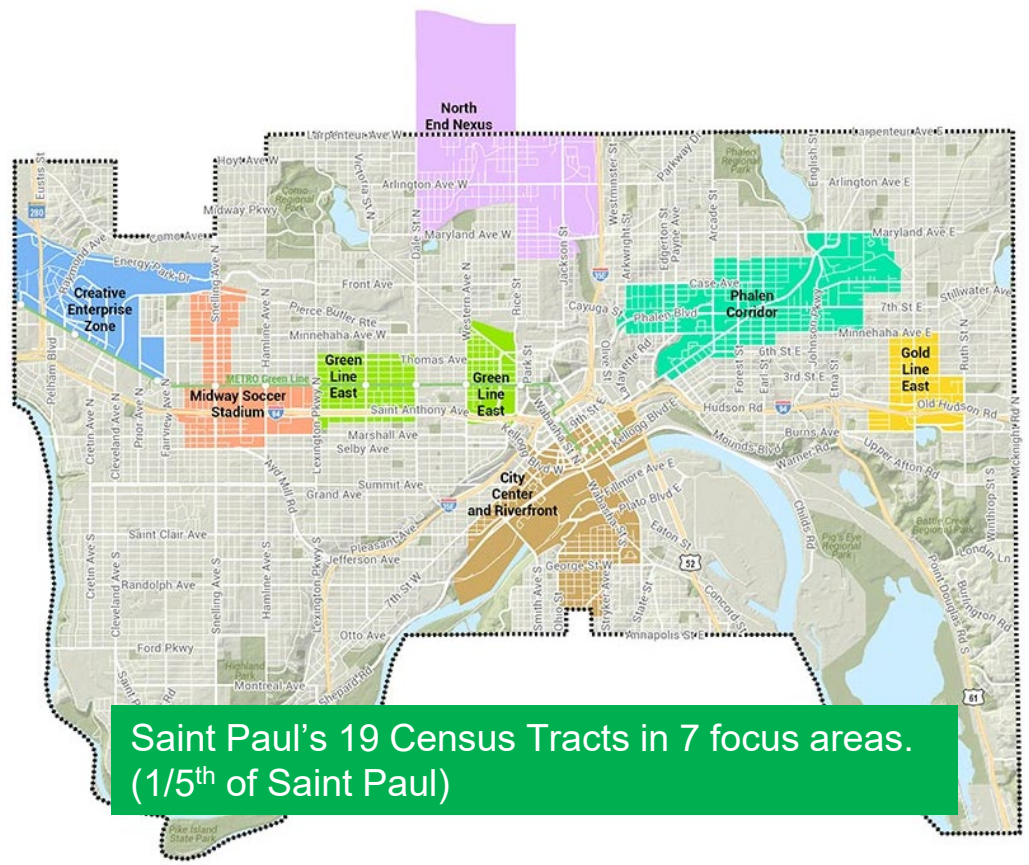
Regulatory and Policy Updates

- **21st Century ROAD to Housing Act** – passed July 10
Provisions related to CDBG – more details to come:
 - New construction (housing) eligible for up to 20% of total City's allocation
 - CDBG recipients (City) would need to publish a searchable, publicly accessible online database of undeveloped land parcels owned by the City
 - Renewed focus on Opportunity Zones (increased application weight)
 - Environmental Review standards are reduced on infill housing projects
- CDBG proposed rule may be back on the horizon...



Current Opportunity Zones

*new designations occurring July-Sept 2026



Saint Paul's 19 Census Tracts in 7 focus areas.
(1/5th of Saint Paul)



Program Year 2026 Contracting

- Annual Action Plan Submitted and "Approved"
- HUD Grant Agreements are late and expected in July.
- Anticipated subrecipient contract date of August 1, 2026.
- Statements of Work due to Specialists ASAP.
- Changes stemming from federal Executive Orders and other legal assurances made by City in Consolidated Plan will be incorporated.



Program Year 2026 Contracting – New Section 4

4. Acknowledgment of Litigation Affecting Federal Requirements The Parties acknowledge that certain federal terms, conditions, certifications, and assurances associated with the Federal Award may be the subject of preliminary injunctions and ongoing litigation and may be modified, stayed, reinstated, reversed, or vacated by court order, or clarified or altered by HUD, including but not limited to: *City and County of San Francisco v. Trump*, No. 3:25-cv-01350-WHO (N.D. Cal. Apr. 24, 2025); *City of Fresno v. Turner*, No. 3:25-cv-07070-RS (N.D. Cal. Aug. 27, 2025); and *State of New York, et al. v. U.S. DOJ, et al.*, No. 1:25-cv-00345 (D.R.I. Sept. 10, 2025).

If any court order is modified, stayed, reversed, or vacated, or if HUD requires the City to comply with previously enjoined terms or conditions as a condition of receiving or retaining Federal Award funds, the City may amend this Agreement upon written notice to the Subrecipient. The notice shall identify the change to the Federal Award requirements and specify the effective date. If the City reasonably determines that continued performance of this Agreement may jeopardize Federal Award funding or otherwise expose the City to legal or financial risk, the City may suspend, modify, or terminate this Agreement upon thirty (30) days' written notice. The Subrecipient may terminate this Agreement upon thirty (30) days' written notice if compliance with any newly applicable federal requirement materially impairs its ability to perform under this Agreement.

The City shall not be liable for any costs, damages, or claims arising from changes in federal funding requirements, court orders, litigation outcomes, or the suspension, modification, or termination of this Agreement pursuant to this Section.

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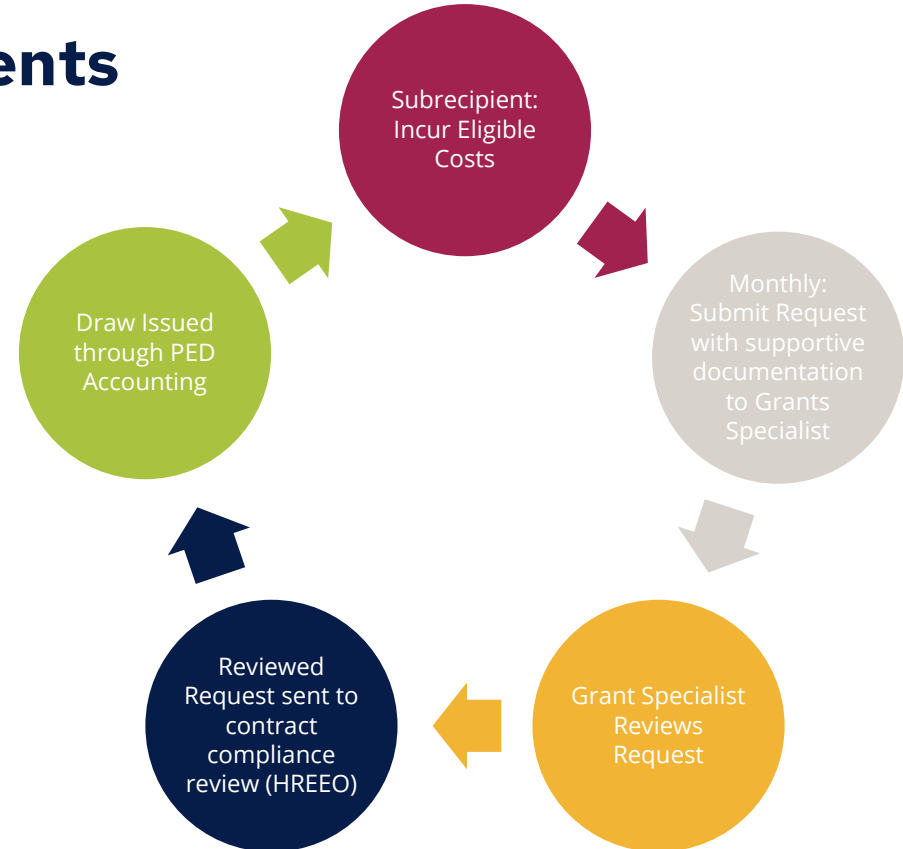


4. Invoice and Payment Requirements

Process for Reimbursements

Reminders

- Provide adequate documentation to support reimbursement requests
- Timesheets : Please provide tracked time spent on CDBG program/project within the subrecipient agreement terms. And provide supporting payment documents i.e, paystubs , payroll, or copy of check.
- Commercial projects under subgrant programs would be carved out from award via our internal accounting process. This can take 3-4 weeks before it's approved and added to the reimbursement request form for payment.
- Exhibit B of subrecipient contract





Benchmarks

Timelines (Part 3 (e) of subrecipient contract)

- 6 months from contract execution – 30% expended/encumbered
- 9 months from contract execution – 65% expended/encumbered
- 12 months from contract execution – 100% expended/encumbered

Encumbered

- Borrower/owner signed closing disclosures
- Borrower/owner signed Notes, Mortgage
- Borrower/owner signed agreement/contract

Unexpended funds

Reminders: Connect and communicate with your partners, clients, your assigned Grants Specialist

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Coming Soon – CDBG Subrecipient Guide

Provides a companion guide to contract provisions, includes information on:

- Roles and responsibilities
- Eligible activities
- National Objectives
- Financial management and program income procedures
- Reporting and recordkeeping
- Monitoring and risk assessment
- Cross-cutting federal and local requirements
- Procurement standards
- Contract closeout procedures

Overall Q&A

Thank you for attending today!



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