

CDBG Subrecipient Training

July 17, 2025



SAINT PAUL
MINNESOTA

STPAUL.GOV

Agenda

1. Welcome & Introductions – City Contacts
2. CDBG updates for 2025
3. Environmental Reviews
4. Invoice and Payment Requirements and Benchmarks
5. Expectations for Monitoring
6. National Objective Refresher

7. Q & A





Grants Points of Contacts @ PED

Grants Specialists are 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 + ESG)

Grants Compliance Supervisor, PED

- Jessica Deegan

Grants Administrator, PED

- Beth Ulrich

Other City Contacts

- Contract compliance, Accounting
- Environmental Reviews (Stefan)
- Historic Preservation (George)






Subrecipient Resources Web Page

<https://www.stpaul.gov/departments/planning-and-economic-development/consolidated-plan/federal-grant-subrecipient>




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

CDBG Resources

Subrecipient Training Materials

- [July 6, 2023 Subrecipient Training - slides](#) 
- [July 6, 2023 Subrecipient Training - video](#)

Contracting

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

Program Management

- Income Affidavit
 - [Income Affidavit form for 2023](#) 
- 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](#)

Agenda

1. Welcome & Introductions – City Contacts
2. **CDBG updates for 2025**
3. Environmental Reviews
4. Invoice and Payment Requirements and Benchmarks
5. Expectations for Monitoring
6. National Objective Refresher

7. Q & A





Build America, Buy American (BABA)

- Enacted in 2021, regulations at 2 CFR 184
- BABA applies to Federal financial assistance used for an infrastructure project

Examples of CPD-funded activities that may be subject to the BAP:

- Rehabilitation or conversion of buildings and real property
- Construction of public facilities and improvements, such as streets, sidewalks, and neighborhood centers
- Utility installation or improvements
- Water systems (drinking water and wastewater)
- Electrical transmission facilities and systems
- Broadband infrastructure
- Transportation infrastructure

Examples of CPD-funded activities that may NOT be subject to the BAP:

- Acquisition of real property
- Relocation and demolition
- Public services
- Shelter or public facility operating expenses
- Supportive services
- Short-term payments to prevent homelessness
- Special economic development activities
- Administrative activities
- Disaster and emergency response



BABA Compliance

- Phased Implementation, everything in effect with FY2025 appropriations (this year!)
- Implementation Guidance issued January 2025:
<https://www.hud.gov/sites/dfiles/OCHCO/documents/cpd-25-01.pdf>

Covered Product	Obligation Date
Iron and Steel	The BAP applies to the purchase of iron and steel for infrastructure projects using CDBG funds obligated on or after November 15, 2022.
Specifically Listed Construction Materials (non-ferrous metals; lumber; and plastic- and polymer-based composite building materials, pipe, and tube)	The BAP will apply to the purchase of specifically listed construction materials beginning with funding obligations from FY2024 CDBG funds, as well as iron and steel.
Not Listed Construction Materials (all other plastic- and polymer-based products, glass, fiber optic cable, optical fiber, engineered wood, and drywall) Manufactured Products	The BAP will apply to the purchase of not listed construction materials and manufactured products beginning with funding obligations from FY2025 CDBG funds, as well as specifically listed construction materials, iron, and steel.



BABA Compliance

- **Waivers:**
 - Not requiring HUD approval - Small grants if total project cost is less than \$250,000; De Minimis, can waive for materials whose total cost is less than 5% of all materials; exigent circumstances for projects needed to be completed immediately for protection of life, safety or prevent destruction of property. Requiring HUD approval - Other waivers could include project or product specific waivers related to public interest, nonavailability and unreasonable costs..
- **Documentation & Recordkeeping:**
 - Keep records of materials in project files, currently no set format for BABA
 - Adhere to all recordkeeping requirements in contract
 - Optional HUD checklist
<https://files.hudexchange.info/resources/documents/Optional-Buy-America-Preference-Checklist.pdf>
 - We will also add to our checklists



Program Year 2025 Contracting

- Consolidated Plan for 2025-2029 submitted and is not “disapproved”
- HUD Grant Agreements are late and anticipated soon
- Anticipated subrecipient contract date of August 1, 2025
- Changes stemming from federal Executive Orders and other legal assurances made by City in Consolidated Plan will be incorporated.
- Statements of Work due to Specialists ASAP

Executive Orders and Certifications Referenced in Grant Agreements

1. A Grantee shall not use grant funds to promote “gender ideology,” as defined in Executive Order (E.O.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government;
2. agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the U.S. Government’s payment decisions for purposes of section 3729(b)(4) of title 31, United States Code;
3. certifies that it does not operate any programs that violate any applicable Federal anti-discrimination laws, including Title VI of the Civil Rights Act of 1964;
4. shall not use any grant funds to fund or promote elective abortions, as required by E.O. 14182, Enforcing the Hyde Amendment; and that
5. notwithstanding anything in the grant or application, this Grant shall not be governed by Executive Orders revoked by E.O. 14154, including E.O. 14008, or requirements implementing Executive Orders that have been revoked.
6. The Grantee must administer its grant in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) and any applicable requirements that HUD, the Attorney General, or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218, or other Executive Orders or immigration laws.
7. If applicable, no state or unit of general local government that receives funding under this grant may use that funding in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or abets policies that seek to shield illegal aliens from deportation.
8. Unless excepted by PRWORA, the Grantee must use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.
9. Faith-based organizations may be subrecipients for funds on the same basis as any other organization. Grantees may not, in the selection of subrecipients, discriminate against an organization based on the organization’s religious character, affiliation, or exercise.

Agenda

1. Welcome & Introductions – City Contacts
2. CDBG updates for 2025
3. **Environmental Reviews**
4. Invoice and Payment Requirements and Benchmarks
5. Expectations for Monitoring
6. National Objective Refresher

7. Q & A





Environmental Review Lead – Stefan Hankerson

Agenda

1. Welcome & Introductions – City Contacts
2. CDBG updates for 2025
3. Environmental Reviews
4. **Invoice and Payment Requirements and Benchmarks**
5. Expectations for Monitoring
6. National Objective Refresher

7. Q & A



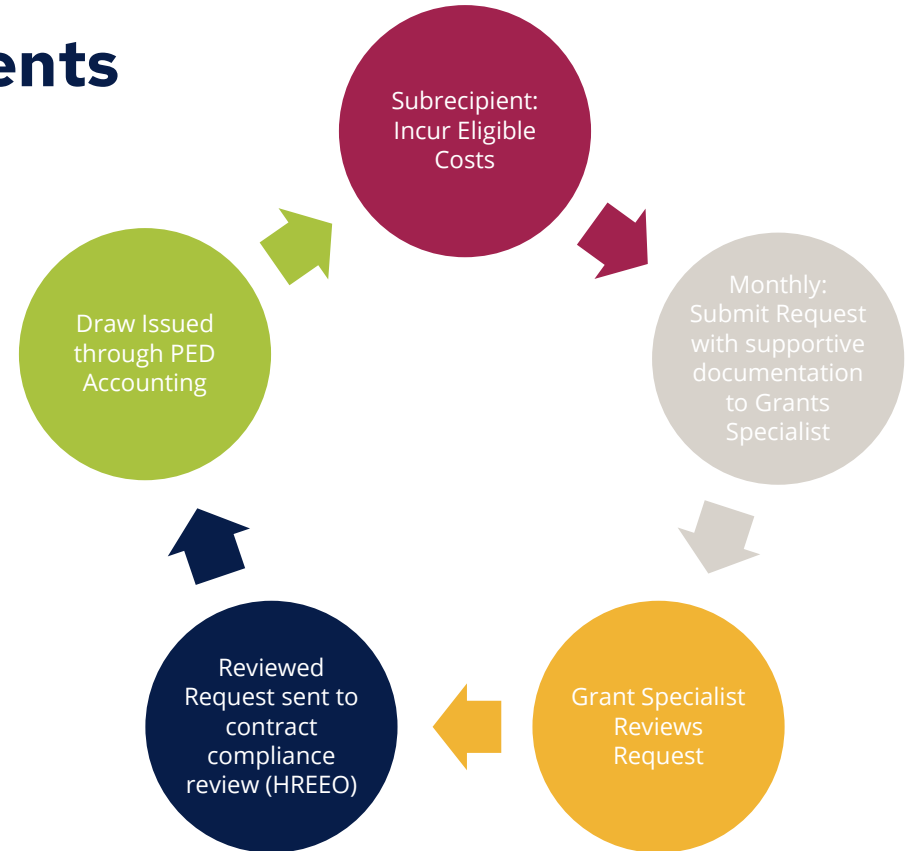


Process for Reimbursements

Tips:

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% encumbered
- 9 months from contract execution – 65% encumbered
- 12 months from contract execution – 100% encumbered

Encumbered

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

Unexpended funds

Agenda

1. Welcome & Introductions – City Contacts
2. CDBG updates for 2025
3. Environmental Reviews
4. Invoice and Payment Requirements and Benchmarks
- 5. Expectations for Monitoring**
6. National Objective Refresher

7. Q & A





Monitoring

Why we monitor?

- ❑ Required by HUD to ensure CDBG compliance (2 CFR Part 200).

Who we monitor?

- ❑ Everyone gets monitored.
 - The City (self-monitoring and by HUD)
 - Subrecipients (at least once every three years)
- ❑ Risk Assessment (High, Medium & Low).
 - Grant Management (Staff capacity, program complexity)
 - Financial Management (Award amount, PI)
 - Service and Satisfaction (Responsiveness, complaints)



Risk Assessment Form

CDBG Risk Assessment

Applicant:

Project Title:

CDBG Request:

Review of Applicant: Date:

Type of entity: Non-Profit For-Profit Public

- Y N
- Request is for \$250,000 or more?
 - Does the Applicant have Capacity?
 - Are there any past performance issues?
 - Achieved National Objective
 - Met Spending Timeliness
 - Complied with City & Federal Compliance Requirements
 - Recent problems (Citizen Complaints, Monitoring Findings, etc.)?
 - Is the applicant on the city's adverse lending list?
 - Prior experience with similar program management?
 - Prior experience with CDBG funds?
 - Are there any staffing issues?
 - Are there any financial concerns?
- Review of Project/Program:**
- Does it meet a National Objective? *Select one*
 - LMI Benefit
 - Slum & Blight
 - Is it an eligible activity?
 - Does this project generate program income?
Will it revolve? No Yes

- Does the project align with goals and priorities? *Select all that apply*
 - 2. Development of New Housing
 - 3. Rental Housing Rehabilitation
 - 4. Homeowner Housing Rehabilitation
 - 5. Public Services
 - 6. Economic Development
 - 7. Remediation of Substandard Properties
 - 8. Public Improvements

Can the funds be expended in a one-year time frame?

Are there other city programs this project mimics? *(If yes, please explain)*

Staff Risk Analysis & Rationale:

Risk Rating: Low Med High

Rationale:



Monitoring

- What we monitor?
 - ❑ Program Requirements
 - ❑ Financial Management
 - ❑ Cross-cutting Requirements (ER, Procurement)



Monitoring - when will we monitor?



Monitoring may occur at any time during the year.



A notice/email requesting files or notice to schedule an on-site visit will be sent at least two weeks ahead.



Monitoring

- Affordable Housing Connections (AHC).
 - Will conduct our subrecipient monitoring.
 - Use as a learning/TA opportunity

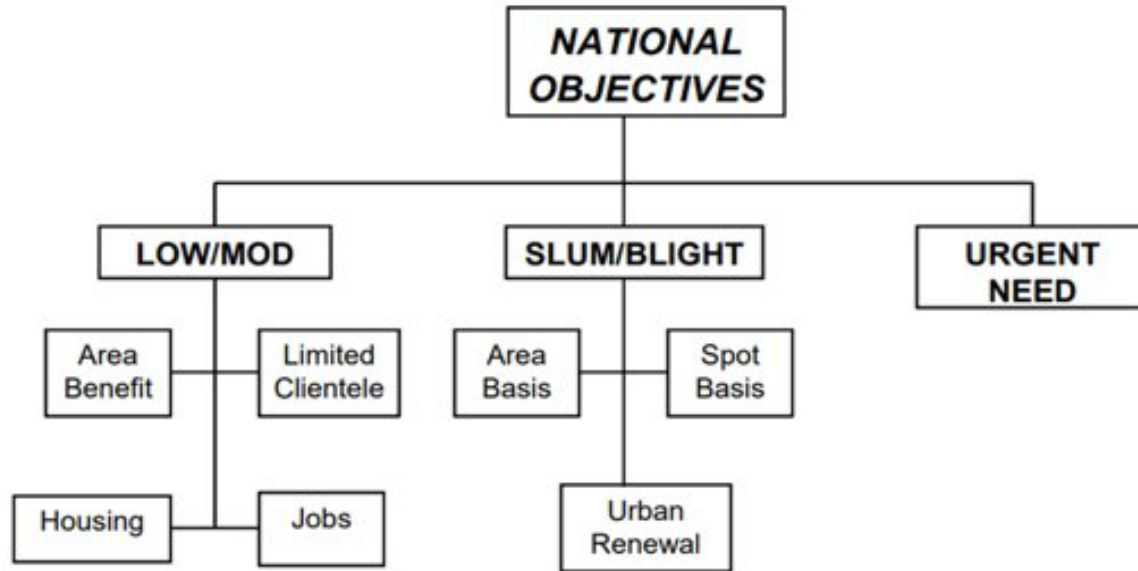
Agenda

1. Welcome & Introductions – City Contacts
2. CDBG updates for 2025
3. Environmental Reviews
4. Invoice and Payment Requirements and Benchmarks
5. Expectations for Monitoring
6. **National Objective Refresher**
7. Q & A





National Objectives





Eligible Outcomes

- **Low/Mod Housing (LMH):** Provide housing for households at or below 80% Area Median Income
- **Low/Mod Job Creation (LMJ):** Create Jobs available to low/mod persons
- **Low/Mod Service Area (LMA):** Provide goods or services to an area comprised of a minimum of 51% low/mod persons
- **Low/Mod Limited Clientele(LMC):** Provide goods or services to a specified group of persons who are comprised of a minimum of 51% low/mod persons



Low/Mod Benefit Housing

- This is the only L/M national objective for housing activities
- To meet the housing national objective, structures must be occupied by low/mod households
- Typical activities: homeowner unit rehab, rental acquisition and rehab, homebuyer assistance
- Documented based on unit occupancy:
 - One-unit structures occupied by LMI
 - 51% of 2+ units LMI occupied by LMI
 - Duplex may have 50% option but contact Grants Staff for approval before using



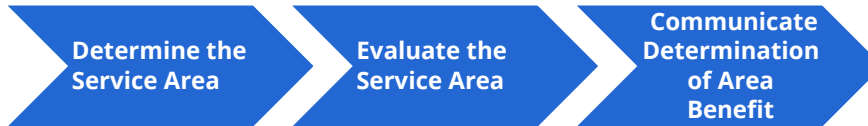
Low/Mod Job Creation

- For an activity to meet the job creation or retention national objective, it must create or retain jobs available to Low and Moderate Income (LMI) Persons.
- 1 FTE Job for every \$35,000 of CDBG assistance required.
- To be made available to LMI means:
 - No Special Skills or Experience, Or
 - No education required beyond H.S., Or
 - Training offered
- CDBG Funded Commercial Rehabilitation or Economic Development Checklist
- Income Affidavit – current and updated annually



Low/Mod Service Area

- For an activity to meet the area benefit national objective, it must benefit an area where 51% or more of residents are Low and Moderate Income.



Overall Q&A

Thank you for attending today!



SAINT PAUL
MINNESOTA

STPAUL.GOV