

Texas Department of Housing and Community Affairs (TDHCA)
Texas Community Resiliency Program (CRP)
Questions and Answers
10/25/2021

This document provides answers to questions related to the CDBG-CV Texas Community Resiliency Program (CRP). Applicants may submit additional questions by emailing the CRP email at CRP@tdhca.state.tx.us

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A. Eligibility

- 1. Is Affordable Housing construction eligible for CRP funds?**
No. New construction housing projects are not eligible under CDBG or in the CDBG-CV funding NOFA.
- 2. Do health clinics (as an eligible use) include urgent care centers?**
Only if the services provided meet the National Objective and Eligible activity under CDBG and have a clear tieback to Coronavirus.
- 3. Are non-profit organizations eligible to directly apply for CRP funds?**
No. CRP funding is only available to non-entitlement communities in Texas. While non-profit organizations cannot apply directly for CRP funds, non-profit organizations can be sub awarded CRP funds.
- 4. What cities and counties qualify as non-entitlement communities and are eligible to apply for CRP funds?**
Eligible applicants are non-entitlement cities under 50,000 in population and non-entitlement counties that have a non-metropolitan population under 200,000 and are not eligible for direct

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CDBG entitlement funding from HUD. A City or County which does not receive an annual CDBG HUD allocation is a non-entitlement.

5. How do non-entitlement counties with over 200,000 people qualify?

If the city or county receives a direct annual CDBG HUD allocation they are an entitlement community. If there is not a direct annual CDBG HUD allocation they are a non-entitlement community and are eligible to apply for CRP funds.

B. Funding Requirements

1. Is a Local Match required?

No. Matching funds are not required

C. Application Review and Criteria

1. What is defined as shovel ready? After reading the rating criteria it states “resources such as funding identified, and site control needed to carry out the proposed project are available and ready”, does that mean procured or ready for procurement/signature of contract for the build/acquisition?

Shovel ready projects are those with a complete and clear concept in which the project is ready to initiate if funding is awarded and an environmental review has been completed or near completion. The scoring within Project Readiness is a range, and shovel ready = 20 points, not shovel ready - Engineer and Administrator procured = 15 points, not shovel ready - no Engineer procured = 5 points). Notably, construction procurement is a post award activity.

2. How are organizations rated or assessed, under the rating criteria, for applicant experience with federal and state program funding? Under the “Administrative Capacity and Financial Capacity” section?

The answers and information provided in the application will allow the reviewer to make this determination. Providing as much information as possible on how the project will be administered is vital. Please refer to the scoring matrix in the CRP NOFA.

3. What stage of environmental and design must be completed to receive partial points? Can these activities just be "begun," must they be 30% complete, or 100% complete?

According to the Scoring Matrix in the NOFA, as long as planning and pre-development has been completed and an Environmental Review has been initiated, the full allotted points will be awarded. The application should provide as much information on which stage the Environmental Review is in and how long it will take to complete.

D. Reporting

1. Facilities require reporting for a 5-year time period. Is there a similar reporting requirement for services projects?

The grant recipient will be required to report annually detailing the services or functions of the public service. For example, if a public service vehicle is purchased, the recipient will be required to provide client/beneficiary data based on the national objective it was qualified for. This requirement will be required for a period of 5 years after the project is completed and closed out. The public service will be required to benefit a HUD National Objective for that period.

2. What are the inventory/real property reporting requirements for Public Services projects?

Equipment must be listed on the CRP inventory form once when it is purchased, and once again after disposition (e.g., selling the property) if the equipment is over \$5,000. Equipment is defined in 10 TAC §1.401 as:

1. tangible personal property having a useful life of more than one year, or
2. per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the entity for financial statement purposes or \$5,000.

According to 10 TAC §1.407. Inventory Report*:

(a) The Department requires the submission of an inventory report for all Contracts to be submitted to the Department, no later than 45 days after the end of the Contract Term, or a more frequent period as reflected in the Contract. Real Property and Equipment must be inventoried and reported on the Department's required form. The form and instructions are found on the Department's website.

(b) Real property and Equipment purchased with funds under a Contract with the Department must be inventoried and reported to the Department during the Contract term.

(c) Aggregate supplies of over \$5,000 must be reported to the department at the end of the Contract Term using federal form SF-428, which is a standard form to collect information related to tangible personal property or other form required by the federal fund source.

*Amendment to 10 TAC §1.407 expected become effective 11/10/2021 and change will be reflected in future Q&A Updates.

3. What reporting requirements will be required for services projects?

The reporting requirements will depend on which CDBG national objective the project meets. The performance reporting requirements will be specified in the subrecipient contract and will be based upon the qualifying national objectives. Inventory requirements may be required as well depending on what real property is acquired to perform the public service.

E. Financial Stability

1. Is a current financial report required?

Yes, a current Federal Single Audit or State Single Audit is required. If the applicant is not subject to the Federal Single Audit Act, it is required to submit its State Single Audit (if applicable). Annual audits for fiscal years ending on or before December 31, 2019 will not be accepted. If the applicant is not subject to the Federal or Texas Single Audit Act, they would be required to submit their most recent audit or audit opinion letter to demonstrate financial capacity. The audit and financial statement must be performed by a CPA in Texas or a public accountant.

If the entity is subject to neither the Federal or Texas Single Audit Act it must submit its most recent annual or audit opinion letter with its application to demonstrate financial capacity. The audit opinion letter is preferred to the whole audit (Note: not the management letter). A certified public accountant (CPA) who is licensed in this state or a public accountant who holds a permit to practice from the Texas State Board of Public Accountancy must conduct the audit and prepare the annual financial statement. Applicants may not submit self-performed audits. The audit must be an organizational-wide audit and cannot be limited to certain parts of the organization. Annual audits for fiscal years ending on or before December 31, 2019 will not be accepted.

F. National Objective & Project Beneficiary

1. If a non-LMI community constructs a senior center or homeless shelter using the LMC criteria, will they be able to use the facility as a shelter for non-LMI residents in extreme or hazardous circumstances? Or can this facility in all circumstances only serve LMC persons?

The constructed facility should primarily be used for the purpose it was constructed for. If no public buildings are available and in extreme or hazardous circumstances, such as a natural disaster, a community could use a CDBG-CV assisted facility as a temporary shelter during that period where the event threatens the health and safety of residents.

2. What is the definition of Low-Moderate Income (LMI)? Is there a website or tool we can use to determine it?

A household is considered LMI if they make less than 80% of the area median income (AMI) of the area they are located in. There are multiple ways to meet the LMI national objective:

- 1) LMA - Low-Moderate Area Benefit, and
- 2) LMC - Low-Moderate Clientele.

More information on LMI is available in the NOFA, and on the HUD Exchange site.

If Household Size and Income is being used to verify eligibility, the 2021 CDBG Income Limits are also linked below.

HUD Exchange Low- to Moderate-Income Data:

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<https://www.hudexchange.info/programs/cdbg/cdbg-low-moderate-income-data/>

CDBG 2021 Income Limits:

<https://www.hudexchange.info/programs/cdbg/cdbg-low-moderate-income-data/>

3. If a project covers multiple counties, how do you calculate AMI (Area Median Household Income)?

Any activity carried out by a recipient of State CDBG program funds must significantly benefit residents of the jurisdiction of the grant recipient, and the unit of general local government must determine that the activity is meeting its needs in accordance with section 106(d)(2)(D) of the Act. For an activity to significantly benefit residents of the recipient jurisdiction, the CDBG funds expended by the unit of general local government must not be unreasonably disproportionate to the benefits to its residents. If an activity covers more than one county, the AMI data will need to be used for the individual in that county to determine their income level.

4. In Cities that are not city-wide LMI, how does a City use survey data to support a public facility and how will that City be the gatekeeper of residents benefitting from the facility?

If the public facility will provide a citywide benefit but is not LMI by census data, the city could use a previously approved (within 5 years of CRP Application due date, January 19, 2022) TxCDBG citywide survey. Regarding the role of gatekeeper, the City/Subrecipient will be required to identify those receiving the services by income verification and ensure that at least 51% of those clients are at 80% or below AMI.

5. Do projects have to qualify through the LMI National Program Objective or can they qualify through the Slum & Blight or Urgent Need National Program Objectives?

CRP projects must qualify through the Low-Moderate Income National Objective. Slum & Blight and Urgent Need are not available National Objective options for this program.

G. Budget

1. Must the submitted budget be signed by an architect or the applicant?

No. The budget submitted with the application is preliminary and does not have to be signed by an architect. If awarded funding, a final, updated budget will be required and included in the final CRP contract.

2. When you mention third party contracts, does this grant cover services done prior to submission like grant writing; zoning costs, feasibility studies, etc.?

Preparation of a CDBG-CV Application in response to this NOFA is the only eligible administrative cost prior to award, and may be reimbursed, as long as all federal procurement requirements are met.

3. Can we mix ARPA (American Rescue Plan Act) funds with CRP funds for a healthcare infrastructure project?

CRP funds can be used with other funds; however, in the case of a tie, a CRP-only funded project will break the tie. Furthermore, the CRP portion of the project would require completion within the 30 month contract period.

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4. What does Environmental Reports refer to in the budget and milestones sheet?

Environmental Reports is a line item that covers any costs related to environmental review and clearance.

5. Is the Environmental Review included in Project Delivery or Administration costs?

Environmental review is included in project costs.

6. If Admin Costs are paid with local funds can the budget form be adjusted?

Yes, TDHCA can provide a version of the Project Budget and Key Milestones form that does not automatically include Admin costs. Please reach out to CRP@tdhca.state.tx.us to request this form.

H. Application

1. Can the application be filled out and submitted by a consultant procured by the Applicant City/County or does the Applicant's Authorized Official have to submit it?

A consultant can complete and submit a city or county's application on behalf of an organization if the consultant is authorized to do so. If the consultant will be reimbursed, procurement (2 CFR 200) must have been followed.

I. Public Service Projects

1. What is the period of performance for completing each project activity (public service work)?

Contracts for Public Service are 15 months. Monthly performance reports will be required as an update to where the project is on that given month.

2. If purchasing vehicles for a services project, will a vendor quote be required to be submitted? If so, will that disallow that specific vendor to be procured to deliver vehicle if awarded? Will this be considered a conflict of interest?

A vendor quote is not required to be submitted; however, a vendor quote (with delivery included) will be the most appropriate support documentation for project readiness. This would not disallow the vendor.

3. If purchasing vehicles as a public services project, many vendors are taking longer than 15 months to deliver. What allowances, or waivers will be allowed to the 15 month services contract term?

The Department will review this on a case-by-case basis as no waivers have been allowed. Bids requested should account for any delays and should be taken into account for cost analysis.

4. Are force account personnel (i.e. - public safety personnel) eligible to be utilized in a public services project?

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Force account or any other personnel costs are not eligible under CPR's public service. A public service project under CRP is limited to the purchase of mobile pantries, mobile health clinics and EMS vehicles.

J. Public Facilities Projects

1. Is a quote required to substantiate vehicle costs or is an estimated budget line item allowable?

A quote is not required but is the most appropriate support documentation for project readiness. An estimated budget line item is required with the application.

2. What is the period of performance for completing each project activity (public facility build-out)?

Contracts for a Public Facility project are for 30 months. Monthly performance reports will be required as an update to the Department to where the project is on that given month.

3. Can communities apply to demolish and reconstruct in the same property? Or is this only rehab without full demolition?

If demolition is a part of the rehabilitation, the demolition cost can be made part of the overall project cost.

K. Procurement

1. Do all covered project expenses have to occur after awarded contract?

Pre-award administrative costs limited to application writing can be incurred, however federal procurement requirements must be followed in order to be reimbursed.

2. Can we use CDBG procurement process?

TxCDBG has two procurement processes for professional services, Traditional and Streamlined. Both are acceptable. The Traditional can be used for Administrator and Engineering/Architectural services and requires a full competitive procurement process. The Streamlined is for Grant Administrators and uses the TDA A506 form. It is very important to keep in mind that this process is for services less than \$50,000 (including any local funds). So this process may work for Public Services only.

3. For procurement of professional services, do communities have to follow 2 CFR 200 even if the community will pay costs with local cash and not use grant funds towards professional costs?

It is not a requirement to follow 2 CFR Part 200 and the Texas Grant Management Standards if the costs are not billed to the CDBG-CV Project. However, if consultants are not procured in accordance with these standards they could be found to have a conflict of interest in managing the grant.

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4. What is the required professional procurement solicitation period: “appropriate number of days,” 14 days, 21 days, etc.?

If local funds are used, only the jurisdiction’s procurement standards for the time period would need to be followed (if any) along with any state procurement standards that apply (if any). If CDBG-CV reimbursement will be requested, the state standards still apply. 2 CFR 200.320 outlines the methods of procurement to be followed for federal awards. If it is a micro-purchase (under \$10,000) or less than \$250,000 (highly likely), the informal methods of procurement may be used. There is no time for the number of days that I am aware of, so it may come down to whatever the State determines as reasonable.

5. If only one professional services responds, must the community complete a comparative analysis prior to contract award?

If local funds, use local policies with the caveat described above in regards to conflict of interest requirements.

6. If the community intends to use grant funds to pay professional costs, must the solicitation be posted on HUD Sect 3 portal and/or other professional bid job board?

No. HUD defines a Section 3 project as, “housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000.

7. If procurement must be conducted under TX Grant Management Guide 2020, does the locale advertised in the newspaper of record only one time or must it be advertised twice?

Per the TDHCA Citizen Participation Plan, notice can be provided only one time and allow for a citizen comment period of no less than 5 calendar days for CDBG-CV and allows for virtual hearing to expedite the process.

8. Is Advertising for professional services beyond the service area allowable?

Yes. It does not have to be restricted to the community itself or any other boundaries.

9. Can communities adopt a resolution authorizing submission of the application for an amount “up to \$5,000,000,” or must the resolution specify the specific grant request amount?

It's allowable, but it would be better if the amount was what the jurisdiction is applying for. The amount does not have to be exact but should reflect the scope of the activity. There’s a big difference between \$300,000 for a Public Service Activity and \$500,000 for a Public Facilities and Improvements Activity and a \$5,000,000 project, so more precise amounts are preferred.

10. Can communities submit a single application that includes community facilities and community services, or must it be one or the other?

A single application must be submitted for a Public Facilities and Improvements Project. For a Public Services Project, a community can submit for more than one mobile unit in a single application. For example, City of ABC can submit one application for a Public Facilities project and a separate application for a Public Services project which may include one or more mobile units. The overall fund request cannot exceed \$5M per community.

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11. Can a community submit a single application for multiple community facilities?

No. If a community is seeking to submit for multiple community facilities under the Public Facilities and Improvements Activity, it must submit separate applications (Parts 1 and 2) for each project. The overall non-entitlement request(s) cannot exceed \$5M.

12. Will a public hearing and final public notice be acceptable?

The first public hearing must be held prior to submission of the application. The notice should provide enough information about the available funding and allowable activities to allow citizens to be able to provide input (a minimum of 5 days). A second public hearing each year of the Contract Term is required regarding the evaluation of the project.

13. Can the final notice occur prior to adopting the application resolution or after the application due date?

In order to meet the Citizen Participation requirement, the final notice must occur prior to adopting the application resolution. Per HUD, a 5-day public comment period will be required.

14. Must these notices be published in a local newspaper or can communities post these on their websites and on public buildings?

The notices can be published on their local websites and shared electronically with the general public for public comment.

15. To clarify: two (2) public hearings are required both a 5 day notice and not a 72-hour notice?

All hearings require at least 5 day notice.

16. Regarding procurement for administration, would TDHCA for the purpose of the this CRP, allow administrators that are currently pre-qualified to administer CDBG projects through TDA be allowed to pass an Inter-local Agreement Contract as done with many other CDBG related programs?

[https://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant\(CDBG\)/PrequalifiedProfessionalServices.aspx](https://www.texasagriculture.gov/GrantsServices/RuralEconomicDevelopment/RuralCommunityDevelopmentBlockGrant(CDBG)/PrequalifiedProfessionalServices.aspx)

The CRP NOFA addresses sub awards to units of local governments (COGs, PHA and nonprofits). Subrecipients wishing to enter into an Inter-local Agreement with a unit of local government must ask TDHCA for permission. It is not necessary that the Unit of Local Government be a pre-qualified TxCDBG Administrator but highly recommended.

17. Regarding procurement for engineering/architectural firms, if the County has already received cost estimates, plans have been put together etc., will they need to formally procure an engineer adhering to CDBG requirements once awarded or will the original procurement suffice? Does this depend on whether the applicant will be requesting reimbursements for these costs?

This depends on whether the applicant will be requesting reimbursement for these costs. If an applicant plans to request reimbursement after being awarded CRP funding, federal procurement requirements must be followed.

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18. Can the same person/firm assist the community to write and submit the CRP application and perform the contract administration if the community properly procures the vendor prior to submitting the application?

Yes, if the person/firm is properly procured and the scope of work includes application preparation and contract administration. Resulting services award may be 2 separate contracts (recommended) or a combined contract where CDBG-CV funds only pay for the costs identified for the grant writing and grant management component. The procurement requirements of 2 CFR Part 200 and the Texas Grant Management Standards must be followed. Generally, sole source procurement may not be used.