



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE
1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • 360-725-4000
www.commerce.wa.gov

Date

The Honorable [Chief Administrative Official]
[Jurisdiction Name]
Address
City, State Postal Code

Dear [Chief Administrative Official]:

I am pleased to inform you that [Jurisdiction Name] has been selected by Commerce to receive up to \$000,000 in federal Community Development Block Grant (CDBG) funds. This award is based on the jurisdiction's CDBG General Purpose Grant application for [project purpose].

Prior to grant contract execution, this letter allows you to begin incurring costs not to exceed ten percent of your award as of the date of this letter, for only the following activities:

- Administration including staffing, travel and training.
- Review of environmental laws and authorities, including Section 106 of the National Historic preservation Act of 1996.
- Preliminary engineering design work and consultations needed for completion of the environmental review.
- Subrecipient agreements or professional service contracts for any of the above activities.

CDBG procurement requirements must be followed before hiring professional services or contractors to be funded by this CDBG award. These requirements are described in Sections 5 and 7 of the CDBG Management Handbook, which is available electronically at www.commerce.wa.gov/cdbg. Until the 2020 CDBG Management Handbook becomes available in the fall of 2020, you may use the 2019 version.

CDBG-specific compliance with National Environmental Policy Act (NEPA) must be completed before any construction bid advertising or property acquisition activity can occur. These procedures are described in Section 6 of the CDBG Management Handbook.

Eligible costs will be reimbursed by Commerce after a grant contract between the jurisdiction and Commerce is executed and the environmental review is complete (see enclosure for further explanation). All costs to be reimbursed must comply with applicable state and federal requirements.

The Honorable [Chief Administrative Official]

Date

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A CDBG contract management webinar will be scheduled for the fall of 2020. The jurisdiction's project manager and consultant directly engaged in the project are to participate in the webinar. Registration materials for this free webinar will be forthcoming.

Before Commerce signs the grant contract, the jurisdiction must:

- Provide documentation all other project funding is secured.
- Update and adopt a policy prohibiting the excessive use of force or submit an existing policy developed since 2000 (Attachment 1-C, CDBG Management Handbook).
- Develop and adopt a Residential Anti-Displacement and Relocation Assistance Plan or submit an existing plan adopted since 2000 (Attachment 11-A, CDBG Management Handbook).
- Develop and adopt a policy to reduce greenhouse gas emissions.
- Submit income survey documentation to confirm the percentage of low- and moderate-income beneficiaries.

The jurisdiction must have an active and unexpired Dun and Bradstreet Numbering System (DUNS) in the System for Award Management (SAM) to avoid delays in the disbursement of funds. Grantees are required to maintain an active SAM registration for the duration of their contract by re-activating their DUNS number annually at the following website: <https://www.sam.gov/SAM/>.

If your project is not ready to proceed, resulting in the contract's execution being delayed over 90 days from the date of this letter, the CDBG award may be rescinded with an invitation to reapply.

Your contract manager will be contacting you to develop the contract. If you have any questions, please contact CDBG staff at 360-725-XXXX or Xxxx.Xxxx@commerce.wa.gov.

I congratulate you and others for your efforts thus far. We look forward to working with you on this worthwhile project.

Sincerely,

[Commerce Representative]
Assistant Director

Enclosure

cc: [Jurisdiction Contact Person]

TIMING of CDBG FUNDING and NEPA RESTRICTIONS

Costs incurred prior to the CDBG award letter cannot be reimbursed by CDBG. Eligible costs will be reimbursed by Commerce after a grant contract has been formally executed and the CDBG-specific procedures under NEPA and SEPA are completed. Executing the grant contract and completing the environmental review can occur concurrently.

Unless the activity is exempt or categorically excluded and not subject to 24 CFR 58.5 under NEPA, the local government grantee, subrecipients, contractors and all other participants may not commit CDBG or non-CDBG funds if the activity would have an adverse environmental impact or limit the choice of reasonable alternatives. This restriction applies to activities as of the date the CDBG program receives the grant application. Portions of preliminary design work needed for completion of the environmental review are allowable.

Title 1 of the Housing and Community Development Act of 1974 as amended and the environmental review procedures found in 24 CFR 58.22 apply to any activities as part of a CDBG project. The environmental review activities completed for other federal or state funding can contribute towards but not entirely meet the CDBG-specific procedure for NEPA and SEPA. [Section 6 of the CDBG Management Handbook](#) provides further detail and the necessary CDBG forms.

Project Phase	Restrictions on Eligible Activities
<p>Before CDBG contract is executed and environmental review is complete</p>	<p>With the award letter, the grantee can begin to incur costs up to 10% of award for the following activities which don't require an environmental review IF the grant application requested CDBG funding of these costs:</p> <p>Administration: Executing the CDBG contract. Establishing administrative, financial, reporting, and record keeping systems, including staffing, travel and training.</p> <p>Environmental Review:</p> <p>Review of environmental laws and authorities, including 24 CFR 58.5 and Section 106 of the National Historic Preservation Act of 1996, such as:</p> <ul style="list-style-type: none"> • Consultation letters to affected tribes • Cultural resource survey • Floodplain/wetland determination <p>Preliminary engineering feasibility studies for the environmental assessment, such as surveying and geotechnical or geophysical analysis (excluding ground-disturbing activity of over one cubic sq. ft.).</p> <p>Subcontracting: Subrecipient agreements or professional service contracts for any of the above activities.</p>

<p>After CDBG contract execution</p>	<p>All eligible costs will be reimbursed after:</p> <ol style="list-style-type: none"> 1. The applicable level of environmental review is documented and complete, and funds have been released (see environmental review guidance below); 2. The subrecipient agreement is executed, if applicable; 3. Procurement requirements are met; and 4. Adequate back-up documentation is submitted with the payment request. <p>To be eligible for CDBG funding, all costs must be allowable under federal cost principles and CDBG regulations, and identified in grant application's project budget as to be funded by CDBG.</p>
<p>While completing the environmental review</p>	<p>The local government grantee must complete the applicable environmental review procedures depending on the type of project:</p> <ol style="list-style-type: none"> 1. Activities <u>documented</u> by the grantee, and confirmed by Commerce, as exempt or Categorically Excluded and <u>without impact</u> to 24 CFR 58.5 laws, historical structures or culturally sensitive land may proceed with commitment of CDBG and non-CDBG funds. 2. Activities that are Categorically Excluded and impact 24 CFR 58.5 laws, or activities requiring an environmental assessment and a Finding of Non-Significance (FONSI), must be <u>documented</u> appropriately with a request for release of CDBG funds submitted to Commerce. <p>Only after the Commerce comment period is ended and <u>funds are released</u>, may CDBG and non-CDBG funds be committed for activities such as:</p> <ul style="list-style-type: none"> • Finalizing design and bid specifications • Advertising for construction bids • Property acquisition, including sales and purchase agreements • Site Preparation • Demolition <p><u>Section 6 of the CDBG Management Handbook</u> provides further detail and the necessary CDBG forms to complete the environmental review.</p>