

SECTION 1 – GETTING STARTED

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INTRODUCTION

Congratulations! You have been awarded a Community Development Block Grant (CDBG) to assist your jurisdiction in improving the quality of life for low- and moderate-income citizens in your community. This handbook provides you with the appropriate information needed to implement a CDBG-funded project.

The best way to start is to become familiar with the federal and state requirements and the information you will need in your CDBG files. Implementing a CDBG-funded project requires good record keeping and financial and management systems.

If you have any questions or require further information or guidance, [please contact CDBG staff](#) for assistance.

OVERVIEW

This section describes the steps for starting a CDBG-funded project, including the initial contracting process.

AWARD LETTER

The grantee will receive a letter awarding CDBG funds, describing conditions of the award and outlining next steps in the contracting process. Samples of CDBG award letters are shown in Attachment 1-A and Attachment 1-A (2).

Pre-Contract Requirements

Before the grant contract can be executed, the grantee must complete the following requirements, as described in the letter awarding CDBG funds:

- Submit income survey documentation, if applicable;
- Adopt a Residential Anti-displacement and Relocation Assistance Plan (Attachment 11-A);
- Adopt a policy prohibiting the excessive use of force, and enforcing applicable state and local laws (Attachment 1-C); and
- Submit Greenhouse Gas Emissions Reduction Policy (Construction projects only) (Attachment 1-E).

ASSIGNING ROLES AND RESPONSIBILITIES

Implementation of a CDBG-funded project is the responsibility of the local government grantee (town, city or county). If you haven't already done so, the first step is to designate an employee or official to be responsible for managing the project. The grantee project manager is responsible for keeping track of all phases of the project and serves as the administrative point of contact for the CDBG Project Manager.

The grantee project manager and any consultants or subrecipients, responsible for implementing the project, must attend a CDBG grant management workshop or webinar.

CONTRACTING ADMINISTRATIVE RESPONSIBILITIES

Depending on local circumstances and requirements of the specific project, some administrative duties may be contracted to a local non-profit organization, subrecipient, or private consultant. Except for quasi-governmental subrecipients, such as public housing authorities or councils of governments, contracted professional services must be advertised and selected through an open competitive process.

If you plan to contract for administrative services, and not use a city/county employee, you must enter into a professional service/consultant contract outlining the scope of services to be performed. An example of a professional service/consultant contract is available in Section 5.

If a grantee provides CDBG funds to a subrecipient for their use in carrying out agreed-upon, eligible activities, the subrecipient is accountable to the CDBG grantee. The subrecipient is subject to the same administrative requirements as those described in this handbook for the grantee. Section 18 of this handbook describes the procedures and requirements involved in using a subrecipient to administer CDBG-funded activities, including establishing a Subrecipient Agreement and the monitoring requirements.

BEGINNING THE CONTRACTING PROCESS

CDBG staff will begin the formal contracting process by sending the grantee a draft Scope of Work and Budget and identify contracting issues to be resolved. Once the Scope of Work and Budget is reviewed and approved by the grantee, it is incorporated into the formal contracts with Commerce. The contracting process takes approximately six to eight weeks to complete.

CDBG Contract

The contract between the grantee and Commerce describes the terms and conditions of the grant. The contract also contains federal and state requirements, any special conditions, a Scope of Work and Budget, the grantee's administrative obligations, and the expected results of the grant contract.

Signing the Contract

Commerce will email an electronic copy of the CDBG contract. The grantee must print one copy of the attached contract and have it signed and dated by the individual authorized to enter into the agreement. Once signed, scan and email the contract to CDBG staff. Retain the copy with original signature in your CDBG files. Commerce signs the contract and provides an executed contract with an original Commerce signature to grantees for their records.

If it is difficult to scan and email, grantees may print, sign, date and mail back two originals of the contract to the CDBG program. Commerce will sign the two originals and one will be returned to the grantee for their records.

STATE MONITORING

Grantees need to have a good management system in place to have a successful project and to comply with the CDBG contract requirements.

The CDBG program provides initial contract administration training at the CDBG grant management workshop/webinar. For the duration of the project, the CDBG Project Manager will assist recipients in administering their CDBG project and will monitor grantees to determine that the contract requirements are met.

TIMING OF MONITORING

All construction projects will be monitored prior to project completion. Items to be reviewed by the CDBG Project Manager during monitoring are included in Section 15 - Grantee Monitoring Procedures.

FINAL PUBLIC HEARING, CLOSEOUT AND AUDIT

At project completion, the grantee must conduct a final public hearing, complete a Contract Closeout Report, and comply with audit requirements. A description of project “closeout” and a copy of the report are available in Section 16. Audit requirements are found in Section 17. Becoming familiar with these two procedures at the beginning of the project will help expedite project closeout and final payment.

LIST OF REFERENCE MATERIALS

Attachment 1-A ----- Sample Award Letter

Attachment 1-A (2) -- Sample Award Letter for non-construction projects

Attachment 1-B ----- Timing of CDBG Funding and NEPA Restrictions

Attachment 1-C ----- Sample Excessive Force Policies

Attachment 1-D ----- *No Attachment*

Attachment 1-E----- Greenhouse Gas Emissions Reduction Policy

In other sections of the Handbook

Attachment 11-A----- Residential Anti-displacement and Relocation Assistance Plan