



LOS ANGELES COUNTY



GMU BULLETIN

COMMUNITY DEVELOPMENT COMMISSION/HOUSING AUTHORITY • 700 W. Main Street • Alhambra • California 91801

NUMBER: 18-0012

SUBJECT: REVISION TO COMMUNITY DEVELOPMENT BLOCK
GRANT REVOLVING GRANT FUND GUIDELINES

DATE: JULY 16, 2018

EFFECTIVE DATE: IMMEDIATELY

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TO: PARTICIPATING CITIES

On December 13, 2017, Grants Management Unit (GMU) Bulletin No. 17-0021, *Revision to Community Development Block Grant (CDBG) Revolving Grant Fund Guidelines*, was released. This Bulletin revises the Guidelines and supersedes the previous one. The Guidelines have been revised as follows:

1. A section has been added to designate Raymond White, Analyst, as the point of contact for all notifications and questions regarding transactions involving the Revolving Grant Fund.
2. There will no longer be a Grant Fund Transfer Agreement. Grant Fund conditions will be included in the Reimbursable Contract Amendment.
3. As each transaction will be different, the sample Reimbursable Contract Amendment has been deleted.

All other requirements remain the same.

If you have any questions, please contact Mr. White, of my staff, at (626) 586-1756 or raymond.white@lacdc.org.

Sincerely,

SCOTT STEVENSON, Director
Community Development Division

SS:LJ:HR:RDW:rb
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Attachment

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING GRANT FUND GUIDELINES

1.0 PURPOSE

The purpose of the Community Development Block Grant (CDBG) Revolving Grant Fund (Grant Fund) is to transfer additional CDBG funds to participating cities. These funds will be returned to the Grant Fund through future annual allocations received by recipient cities.

2.0 EFFECTIVE DATE

These guidelines are effective January 1, 2018.

3.0 FUNDING

Funding for the Grant Fund is to be provided through CDBG funds. The Grant Fund will be replenished with funds recaptured or transferred from participating cities.

4.0 NOTIFICATIONS AND QUESTIONS

Notifications and questions regarding all transactions involving the Grant Fund are to be made to Raymond White, Analyst, at Raymond.white@lacdc.org or (626) 586-1756.

5.0 TRANSFER OF UNALLOCATED CITY FUNDS TO THE GRANT FUND

1. Cities are to notify Mr. White (see Section 4.0) of the amount of funds to be transferred to the Grant Fund. Once notification is received, a Reimbursable Contract Amendment (RCA) will be processed implementing the transfer. For transfers exceeding \$100,000, Board of Supervisors approval will be required.
2. Cities should be aware that these funds will be used for grant requests, on a first-come, first-served basis, and that the Community Development Division-Grants Management Unit (CDD-GMU) will determine their availability when the transferring City requests the funds in the future.
3. Cities must wait at least one (1) year before requesting return of the funds. If the CDBG Program is terminated, these funds may not be returned to the transferring City.

6.0 GRANT FUND CRITERIA

Cities may apply to receive Grant Funds under the following conditions:

1. Preference will be given to cities that have demonstrated good performance in expending funds and in administering their CDBG Program. A City shall have met its drawdown requirement for at least the last two (2) consecutive years, exclusive of transfers to the Grant Fund by a City to meet their drawdown.
2. A City may borrow up to twice its annual allocation, or a minimum of \$25,000, whichever is greater.
3. Amounts exceeding \$100,000 will require Board of Supervisors approval.
4. No interest will be charged on Grant Funds.
5. Eligible projects include, but not limited to, the following: construction, rehabilitation (loans or grants), code enforcement, and special economic development (loans or grants) activities. Grant Funds will not be available for public service or planning projects.
6. The grant application (Attachment I) will be limited to two (2) pages and will be reviewed on a first-come, first-served basis. Cities may submit applications for more than one (1) project, however, they must identify a priority project. In the case of multiple submissions, only one (1) project will be funded. Applications should explain how the project would benefit from the requested additional funds (reduced waiting list, addition of a project component, etc.). Under no circumstances shall projects exceed three (3) years. If funds will be used for a new project, a quarterly expenditure and milestone plan must accompany the application.
7. Cities cannot borrow additional CDBG funds until outstanding grants have been paid.

7.0 GRANT APPLICATION PROCESSING

1. Grant applications (Attachment I) are to be submitted to Mr. White (see Section 4.0) by e-mail.
2. Once an application is received, it will be reviewed by the CDD-GMU management team, with input from the City's Program Manager, the CDD-GMU Budget Analyst, and the City's Reporting Specialist. The City will be notified within 30 days of the acceptance/rejection of its application.
3. Grants will continue to be made available until funds are exhausted; Cities will be notified when funds are no longer accessible.
4. Cities will also be notified of the estimated amount available after fiscal year closeout.

8.0 GRANT IMPLEMENTATION

Once an application is approved, the City will be notified by e-mail. The following activities will be required:

1. A RCA will be developed for approval by the City and the Community Development Commission (Commission).
2. After the RCA is fully executed, the funds will be transferred from the Grant Fund pool to the City's funding pool.
3. Grant Funds will be included in the City's drawdown requirement calculation.

9.0 REPAYMENT

1. Cities that borrow from the Grant Fund may pledge their entire future CDBG allocation toward repayment, depending on the amount borrowed. Grant amounts of \$75,000 or greater may be repaid over a three-year period. A City's annual allocation (or funds returned by closed projects) will be used to repay an outstanding grant. If the grant exceeds a City's annual allocation, the CDBG funds received in subsequent years will be used for repayment until the grant is repaid.
2. The following paragraph will be added to the annual reimbursable contract:
The <Spell Out Dollar Amount> dollars (<Repayment Amount> set aside for the Revolving Grant Fund repayment will automatically be drawn down by the Commission annually, with no further notice to the Operating Agency, until fully repaid. Any remaining balance after the Revolving Grant Fund repayment will be available for programming and reimbursement.
3. Cities must remain part of the Los Angeles Urban County Program until the grant is repaid.
4. If the CDBG Program is terminated, outstanding grant amounts will be forgiven.