

# Coronavirus (COVID-19) CDBG-CV

## May 12, 2021

### Additional Questions and Answer

The following Q & As are common questions that were submitted to the [SmallCities@state.mn.us](mailto:SmallCities@state.mn.us) mailbox.

#### **General Questions**

***Q: Is the CDBG-CV program a competitive application process?***

A: Yes, the CDBG-CV program is a competitive funding program. Funds will be awarded based on eligible projects meeting all CDBG-CV requirements and ranked based on Community Need, Impact and Cost Effectiveness. Submitting an application for funding does not automatically mean the proposed project is awarded funds. There is always a possibility an application will be awarded at a reduced funding level or not be awarded funding.

***Q: Is an Environmental Review required for CDBG-CV funded project?***

A: Yes, all projects awarded with CDBG-CV will need to complete an Environmental Review for CDBG-CV funds prior to committing funds to a project/location. Commitment of funding is defined as releasing a request for proposals/bids or executing an agreement. Fully executed CDBG-CV grant contracts between DEED and the awarded unit of local government will not be released until an Environmental Review has been completed.

#### **Applicant Question**

***Q: Who can submit an application for CDBG-CV funding?***

A: Only units of local general government (city, county, township) may apply for CDBG-CV. An application may direct funds to a specific project within the unit of local government's jurisdiction or secondary/partner community (ex: funds will be used towards retrofitting a food shelf within the jurisdiction), but the financial responsibility entity must be a unit of local government.

The administrating entity of the project does not need be staff from the applying governmental body. The applicant may designate an HRA, EDA, non-profit or for-profit to administer the project on the governmental body's behalf. For-profit administrators must be procured prior to using their services. Funding can only be provided to the unit of local government. Administrating entities and contractors/providers will be paid by the unit of government who will receive funding from DEED after review and approval of documentation showing eligible costs had been incurred.

#### **Broadband Development Questions**

***Q: Is procurement of a broadband/Internet Service Provider for a proposed service area required prior to starting a broadband project?***

A: Based on current direction, if the unit of local government does not have an existing agreement in place with the proposed broadband provider/partner then procurement will need to occur to establish the relationship between the provider and the unit of local government. At this time those interested in applying for broadband development funding who have not yet completed procurement may still apply

for funding with an understanding that procurement must occur prior to funding being committed to a specific broadband/Internet Service Provider.

Further, please note that other requirements, such as but not limited to completing the Environmental Review, would also need to be completed prior to a project starting. If bidding will be necessary to procure a general contractor for the work, the Environmental Review must be completed and cleared prior to the bid specifications/packet being released.

***Q: If the broadband/Internet Service Provider has not yet been procured, what should be entered in the "Broadband Service Provider" section of the Grantee Summary Information Sheet (GSIS)?***

A: If procurement was not completed prior to submitting a Broadband Development Application, please enter "To be determined" in the *Name of Organization* cell. An updated GSIS containing the information on the broadband service provider will need to be submitted along with other requirement documents (i.e. executed policies) if the project is awarded CDBG-CV funds

***Q: Are engineering costs for a Broadband Development project considered project/construction costs or administration costs?***

A: Engineering costs may be considered project/construction related costs. Any work associated with engineering that occurs prior to the application submission date is considered ineligible for funding. Costs associated with completing the Environmental Review, compiling and reviewing of Labor Standard related documentation, preparing draw requests, and other administrative related costs would fall under the administration category.

Caution is advised when incorporating engineering costs into project costs. Completing engineering services for a project does not meet the low-to-moderate income benefit on an area basis (LMA). If engineering services were paid and the project fails to move forward, the amount of engineering services paid must be returned to DEED using non-Federal funds.

***Q: Can broadband funds be used towards leasing a tower that is already in place?***

A: No, CDBG-CV funding cannot be used to lease space on an existing tower.

***Q: Who must own the broadband network after the project is completed, the applying unit of local government or the broadband provider?***

A: Ownership of the new broadband network will need to be agreed upon by the applying unit of local government and broadband provider. There is no requirement for the unit of local government to own and operate the network once it has been completed. Applicants and broadband providers are encouraged to have an agreement in place that defines each entity's role and responsibility during and after the project. The network should provide service for a minimum of five years.

**Retrofitting buildings and Commercial Rehabilitation Questions**

***Q: Can rehabilitation of residential buildings, such as HVAC for an apartment building, be included in the Retrofitting buildings and Commercial Rehabilitation Application?***

A: Rehabilitation of residential buildings are ineligible for CDBG-CV funding. If there is interest in apply for residential rehabilitation funding, interested applicants are directed to review information on the

Small Cities Development Program (SCDP) funding located at <https://mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp>.

***Q: Can rehabilitation of a building include activities that do not prevent, prepare for, or respond to COVID-19?***

A: CDBG-CV funding can only be used towards activities that prevent, prepare for, or respond to COVID-19. Other activities to a building, for example siding replacement or masonry tuckpointing, could occur but paid only by match or leverage funds.

***Q: Are municipal owned buildings eligible to receive CDBG-CV funding?***

A: If the building contains functions associated with the general conduct of government (ex: City Hall), then it is ineligible to received CDBG-CV funding. Municipal owned buildings that do not have general conduct of government functions may be eligible for funding; however, if any funding is provided to the building, there cannot be any general conduct of government functions in the building for the foreseeable future. Elections would fall within the general conduct of government so discussion should be held on removing the building as a potential voting site.

Please keep in mind the main focus of CDBG-CV projects is to benefit the public in preventing, preparing for, and responding to COVID-19. Even if buildings are eligible for funding, the need and proposed impact should be reviewed to verify the activity would benefit the community. The application should include a narrative of how the building would be currently used to respond to COVID-19 and its future use after the pandemic.