

FY 2020-2021 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

<b>Name of Organization:</b>	<b>Davis Oral Health</b>
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<b>Project Title:</b>	<b>Dental Care Kits Distribution</b>
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<b>Your Name:</b> (in case we need clarification)	<b>Alan Pryor</b>
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Responses are due: **NO LATER THAN MARCH 9th at 5:00pm**. The responses must be submitted as a Word document via e-mail using the format below. The responses should include both the Question and Answer. Email should be addressed to Mary Rice at [mrice@cityofdavis.org](mailto:mrice@cityofdavis.org).

**Do Not Mail Your Responses.**

1. What is the plan to distribute 2,000 kits to beneficiaries in the upcoming year considering the low beneficiary count to date from the grant for this past year?

**As of Feb 19, we had distributed 1,300 kits in Q3 of FY 19-20. Combined with our distributions in Q1 and Q2 and our continued distributions for the remainder of Q3 and Q4, we will easily meet our distribution requirements for the FY 19-20.**

**We note our delays in distributions beginning in the early part of Q2 and continuing through early Q3 were entirely due to misinformation supplied by your office regarding HUD reporting requirements which caused us to hold back our outreach and distribution efforts until we clarified exactly what were actual HUD reporting requirements and regulations. We have previously advised you of those correct reporting requirements as shown in the attached letter.**

2. Per your application, it states that Davis Oral Health doesn't directly distribute the dental kits to client beneficiaries. Please document the actual agencies who will be distributing the kits and describe the process for distribution per partner agency and the number of kits planned for distribution.

**The distribution of our dental kits to agencies will depend on their actual needs and requests from the non-profit agencies which will vary from year-to-year and quarter-to-quarter. We have supplied the names of non-profit agencies to whom we have distributed in the past and expect to distribute again the future. For you convenience, however, we are repeating a partial list of the names of those possible recipient agencies below:**

- 1) STEAC
- 2) Yolo Food Bank
- 3) Davis Community Meals
- 4) Empower Yolo and Family Resources Center

## FY 2019-2020 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

### 5) Davis Crisis Nursery

**Our distribution and reporting process is the same for all agencies. We either call or email the agency and inquire about their needs or they call or email us and indicate the desired number of kits they wish to receive. As available, we deliver the kits or components of the kits to them and they distribute them to their clients on an as-needed basis. We cannot specify in advance the exact number of kits to be delivered to each specifically identified non-profit agencies. This is functionally no different than the fact that other non-profit agencies do not specify in advance the exact individuals who will receive their goods and/or services or the exact time in advance of actually providing those goods or services. In both cases, actual prevailing circumstances in the future dictate to whom and how much goods and services are provided to each individual recipient and/or non-profit agency.**

**As we have specified in our application, we plan to distribute 2,000 kits in total in FY 20-21 using CDBG funds**

3. Will Davis Oral Health require an agreement with each organization to which it delivers dental kits to ensure they obtain the required demographic and income information for each beneficiary and report those details to Davis Oral Health? Also, will Davis Oral Health keep this required information in its records in the case of a City or Federal audit?

**As you are well aware and we have completely documented in writing (see attached letter for your convenience of review), HUD does NOT require such information for non-housing or job-related services from CDBG recipients if the goods and/or services are provided by a defined-benefit organization such as those we list above. However, to the extent that the recipient agencies gather and provide such information, we will include it in our quarterly reports and we will retain this information in our files.**

**Davis Oral Health Project will otherwise fully comply with all HUD-stipulated requirements for data collection on beneficiaries**

4. The application indicates that the supplies could be delivered as kits or individually provided. The Performance Measurements only states that kits will be delivered. Will dental supplies be provided individually and if so, how does Davis Oral Health plan on breaking the cost per beneficiary down if not delivered as kits (i.e. \$2.50 per kit)? How would you ensure who received which product(s)?

**We provide preassembled kits to almost all of our non-profit recipient clients. However, one client (STEAC) requests that the kits not be assembled and we have complied with their request and instead deliver unassembled individual kit components and leave the distribution of the unassembled items to their discretion. Although our application stated that the dental care products could be provided as kits or individual components, this was not properly reflected in the Performance Measurements section of the application. We wish to amend that unclear section in Performance Measurements as follows:**

## FY 2019-2020 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

**Change "Number of individual dental care kits assembled and distributed" to Number of individual dental care kits assembled (or individual components thereof) and distributed".**

**If individual components are requested by clients in the future, we will ensure that the number of the individual dental care components delivered to the clients who request them will always be equal such that only "kit equivalents" will be delivered in those special circumstances. In this one instance for this one non-profit agency, we will report the number of beneficiaries served as not to exceed the "kit equivalents" delivered to the non-profit agency.**

**This is exactly the same process used by other CDBG funded non-profit agencies who deliver good or services which may vary from client to client such as for "meals served" or "client visits performed". The components of the individual "meals served" or grocery bags delivered will always vary slightly from recipient to recipient (one client may refuse the canned corn or the bean chili, for instance) just as the services performed during a "client visit performed" will vary from client to client (one client may not receive a nutritional or health assessment and referral, for instance) .**

**The non-profit agency's costs will thus vary accordingly for each beneficiary served and they are not obligated to (and could not) breakdown the exact cost for each "meal served" or "client visit performed" for every individual recipient they serve because each will vary slightly. Nor should we be required to do so as this is clearly NOT required by HUD reporting regulations.**

# **Davis Oral Health Project**

2736 Brentwood Place, Davis, CA 95618 • Telephone and Fax: (530) 758-5173

Date: January 21, 2020

To: Colleen Brock <cbrock@ych.ca.gov>

cc: Mary Rice <Mrice@cityofdavis.org>  
Kelly Stachowicz <kstachowicz@cityofdavis.org>  
Liane Moody <lmoody@steac.org>  
Bill Pride <billpride@dcmah.org>

Re: HUD Reporting Requirments

Ms. Brock -

Thank you for your time at our meeting last Thursday and subsequently sending me digital copies of the excerpts from HUD manuals you provided at the meeting.

Based on my review of the information in those manuals, I agree that HUD does indeed require reporting on ethnicity, income levels, and specific services provided to individual recipients for CDBG grant reimbursement; BUT ONLY for those recipients receiving housing or job-related services funded by CDBG grants.

However, according to the HUD regulations in those same manuals, NONE of these reporting requirements are similarly required for record-keeping and reporting for CDBG reimbursement if the goods or services are for non-housing or non-job related purposes and are provided to a presumed low and/or moderate income "*Limited Clientele*" such as are primarily served by Davis Community Meals ("DCM"), the Short Term Emergency Aid Committee ("STEAC"), and Yolo Food Bank ("YFB").

As such, I believe you are mistakenly imposing onerous, non-required record-keeping and reporting requirements for CDBG reimbursement on these organizations. Additionally, by extension, by similarly imposing these record-keeping and reporting requirements on Davis Oral Health Project, our legitimate CDBG reimbursement requests for our dental care kits distributed by these organizations are being wrongfully withheld.

Let me explain.

In coming to the conclusions that many of the reporting requirements demanded by Yolo Co Housing on behalf of the City of Davis are, in fact, not at all required by HUD, I have relied on the specific HUD-mandated provisions for data-collection and reporting requirements that were contained in the following HUD documents that you provided to me as referenced above:

## FY 2019-2020 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

a) "*Chapter 13: Performance, Measurement, Record Keeping, and Monitoring*" (hereinafter referred to just as "*Chapter 13*"), and

b) "*Playing by the Rules - Chapter 5.0: Record Keeping and Reporting Requirements*" (hereinafter referred to just as "*Playing by the Rules*").

I believe the following statements accurately summarize the status of the non-profits organizations involved in distributing our dental care kits and the CBDG record-keeping and reporting requirements of HUD for our obtaining CBDG reimbursement for providing these kits. These regulations directly conflict with statements that have been made by you, Lisa Baker, and Mary Rice, both at our recent meeting and on numerous occasions in the past.

1) DCM, STEAC, and YFB are all Presumed "*Limited Clientele*" Organizations for Purposes of CBDG Record-Keeping and Reporting Requirements with Respect to Non-Housing and/or Non-Job-Related Goods or Services Provided to Low and Moderate Income Recipients.

2) Ethnicity Information on Low and Moderate Income Recipients Receiving Non-Housing and/or Non-Job-Related Goods or Services is NOT Required to be Collected for CBDG Reimbursement Purposes by Presumed "*Limited Clientele*" Organizations.

3) Income and Verification Information on Low and Moderate Income Recipients Receiving Non-Housing and/or Non-Job-Related Goods or Services is NOT Required to be Collected for CBDG Reimbursement Purposes by Presumed "*Limited Clientele*" Organizations.

4) CBDG Reimbursement for Non-Housing and/or Non-Job Related Goods or Services Provided to "Duplicated" Recipients" by "*Limited Clientele*" Organizations is NOT prohibited by HUD Regulations.

5) "*Limited Clientele*" Organizations are NOT Required to Record and Report the Exact Goods or Services Distributed to Each Specific Non-Housing and/or Non-Job Related Client in Order to Receive CBDG Reimbursement.

The basis for all of these conclusions is further discussed below.

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### **1. DCM, STEAC, and YFB are all Presumed "*Limited Clientele*" Organizations for Purposes of CBDG Record-Keeping and Reporting Requirements with Respect to Non-Housing and/or Non-Job-Related Goods or Services Provided to Low and Moderate Income Recipients.**

With respect at least to their non-housing and non-job related clients, DCM, STEAC, and YFB are all clearly defined in HUD regulations as "*LMI Limited Clientele*"; meaning 51% or more of their clients are at or below the income levels defined to be Low Income or Moderate Income levels in Yolo County.

This classification as "*LMI Limited Clientele*" organizations is because of the "*nature*" of the services they provide as further explained in the following HUD regulations:

## FY 2019-2020 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

From "Chapter 13", p. 13-10.

### *"LMI Limited Clientele*

*The grantee must maintain the following records regarding limited clientele activities:*

- Documentation showing that the activity is designed for and used by a segment of the population presumed by HUD to be LMI persons; or*
- Documentation describing how the nature and, if applicable, the location of the activity establishes that it is used predominantly by LMI persons (emphasis added); or*
- Data showing the size and annual income of the family of each person receiving the benefit and that at least 51% of those served are LMI;"*

Clearly, due to the "nature" of the non-housing and/or non-job-related activities (i.e. emergency food and household goods) provided to their overwhelmingly low and moderate income clients, Davis Community Meals, STEAC, and Yolo Food Bank all qualify as serving a predominantly "LMI Limited Clientele" population, i.e. they are a presumed "Limited Clientele" organization.

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### **2. Ethnicity Information on Low and Moderate Income Recipients Receiving Non-Housing and/or Non-Job-Related Goods or Services is NOT Required to be Collected for CBDG Reimbursement Purposes by Presumed "Limited Clientele" Organizations.**

This is explained in the following HUD regulations:

From "Chapter 13" – p. 13-3

#### *"13.1.4 Indicators*

*Race, ethnicity, and disability data for activities that currently report these data elements.*

- Under CDBG, race/ethnicity data is required only when the activity is specifically undertaken to directly benefit persons or households, such as job creation activities or housing rehabilitation. Race and ethnicity data is not required for activities under the CDBG LMI area benefit, slum/blight, or urgent need national objectives." (Emphasis added)*

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### **3. Income and Verification Information on Low and Moderate Income Recipients Receiving Non-Housing and/or Non-Job-Related Goods or Services is NOT Required to be Collected for CBDG Reimbursement Purposes by Presumed "Limited Clientele" Organizations.**

This is explained in the following HUD regulations:

From "Chapter 13" - pp.13-12 – 13-13

#### *"13.3.6 Determining and Documenting Income*

## FY 2019-2020 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

...

*Grantees must determine annual income for a person, family or a household **only** for direct benefit activities only. Direct benefit activities include activities such as home ownership assistance or receipt of public services. (Emphasis added)*

...

*Grantees **do not need** to determine income eligibility for the following national objectives: area benefit, presumed limited clientele, slum/blight, or urgent need. (Emphasis added)*

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#### **4. CDBG Reimbursement for Non-Housing and/or Non-Job Related Goods or Services Provided to "Duplicated" Recipients" by "Limited Clientele" Organizations is NOT prohibited by HUD Regulations**

You have claimed the CDBG reimbursement can only be claimed for "*non-duplicated*" recipients of goods or services. I have read through the entire documentation you provided and do not find anywhere where it is stated that non-housing and non-job related goods or services cannot be provided to "*duplicated*" recipients and receive CDBG reimbursement as you have otherwise claimed.

Unless prohibition of CDBG reimbursement for provision of non-housing and non-job related goods and/or services to "*duplicated*" recipients is specifically prohibited in other HUD regulations, such non-housing or non-job related goods and/or services otherwise provided by DCN, STEAC, and YFB to their "*duplicated*" recipients are otherwise eligible for CDBG reimbursement. And, by extension, Davis Oral Health Project is also eligible for CDBG reimbursement for dental care kits distributed by these organizations to their "*duplicated*" recipients

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#### **5. "*Limited Clientele*" Organizations are NOT Required to Record and Report the Exact Goods or Services Distributed to Each Specific Non-Housing and/or Non-Job Related Client in Order to Receive CDBG Reimbursement**

You have claimed that organizations are required to directly identify and account for the exact specific goods and/or services they provide to each and every one of their specifically identified individual clients and then to tie that exact specific good or service to a line item on their CDBG request for reimbursement. However, this requirement for non-housing and/or non-job-related goods or services is NOT specified in ANY of the HUD regulations on record-keeping and reporting you provided. No where in the following references is this requirement found.

From "Chapter 13" – see p 13-9

#### ***"13.3.4 Project/Activity***

*For each type of activity undertaken, the grantee should determine what data must be maintained in individual case files and establish a system for ensuring that every file contains the necessary information.*

*The list will vary from activity to activity, but each project/activity file should include the following documentation:*

**FY 2019-2020 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES**

- *Eligibility of the activity;*
- *Evidence of having met a national objective (see below);*
- *If applicable, subrecipient agreement;*
- *Any bids or contracts;*
- *Characteristics and location of the beneficiaries;*
- *Compliance with special program requirements, including environmental review records;*
- *Budget and expenditure information (including draw requests); and*
- *The status of the project/activity."*

From "Chapter 13" – see p 13-9

*"13.3.7 Records on Subrecipients*

*The following is an overview of the types of records that must be maintained by grantees for each funded subrecipient activity:*

- *Subrecipient application;*
- *Written agreement;*
- *Financial statements and records;*
- *Audits;*
- *Progress reports;*
- *Draw down requests (with source documentation, including invoices, purchaser orders, etc.); and*
- *Monitoring reports and correspondence."*

From "Chapter 13" – see Exhibit 13-2, National Objective Record-keeping, p 13-26

***"National Objective Criteria Records to be Maintained***

<i>National Objective Criteria</i>	<i>Records to be Maintained</i>
<i>Limited Clientele</i>	<p><i>Documentation that facility/service designed for or used exclusively by one of the eligible "presumptive" groups</i></p> <p><i>Documentation of nature and location of the facility/service such that it can be presumed to service LMI</i></p> <p><i>OR</i></p> <p><i>Data on household size and income of each person receiving the benefit"</i></p>

From "Playing by the Rules" - see Chapter 8-7



## FY 2019-2020 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

### *"5.5 Reporting Requirements*

*A sub recipient's reporting requirements must be specified by the grantee in the Subrecipient Agreement (24 CFR 570.503(b)(2)). These reporting requirements must be consistent with the provisions of 24 CFR 85.40(a) and (e) and 85.41 (c) and (d) for governmental subrecipients or 24 CFR 84.51(a) for non-profit subrecipients.*

*Although it has broad discretion over the type and frequency of reports, a typical grantee is likely to request three kinds of reports from its subrecipients: information on drawdown requests, regular progress reports, and CAPER data."*

No where in any of the above excerpts of HUD regulations for record-keeping and reporting does it state or even imply that "*Limited Clientele*" organizations providing non-housing and/or non-job related goods or services are required to directly identify and account for the exact specific goods and/or services they provide to every specific one of their individual clients.

By extension, Davis Oral Health Project does not either have to report this information to the City of Davis in order to receive CDBG reimbursement for the dental care kits we provide to these organizations.

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In summary, according to the documents you provided to me, 1) DCM, STEAC, and YFB are all presumed "*Limited Clientele*" organizations for which HUD does NOT require 2) ethnicity data or 3) income data. Further, 4) HUD does NOT prohibit CDBG reimbursement for such non-housing or non-job related goods or services provided to "duplicated" recipients and 5) identification of the exact non-housing or non-job related goods or services provided by "*Limited Clientele*" non-profit organizations to each individual low or moderate income recipient is NOT required by HUD for CDBG reimbursement purposes.

As such, we believe that the record-keeping and reporting procedures in place for the dental kits we provide to DCM, STEAC, and YFB are in full compliance with all applicable HUD guidelines or CDBG reimbursement. Therefore, we request that our previous partially disallowed request for reimbursement be fully honored under the terms of our contract with the City of Davis.

If you still believe otherwise, as in the number of cases in the past where we have had this conversation, I again request that you cite specific HUD regulations that you believe conflict with the analysis above and that you further provide the document(s) in digital format that contain these cited specific regulations. Thank you.

Respectfully submitted,

Alan Pryor, President  
Davis Oral Health Project