

NYS Community Development Block Grant (CDBG) 2019 Housing Program

**New York State Housing Trust Fund
Office of Community Renewal (OCR)**



NYS CDBG Housing Program Application Guidance

- Program Overview
 - General
 - National Objective Compliance
 - Eligible Activities
 - Funding Limits
- Application Process
 - Preparing to Apply
 - Scoring Criteria
- Application Tips
 - Common Deficiencies in Unsuccessful Applications
 - Further Program Requirements
- CDOL Overview
 - Getting Started with CDOL
 - Five steps of completing CDOL application



Today's presentation will address the following sections in order:

1. Program Overview
2. Application Process
3. Application Tips
4. CDOL Overview

Program Overview

- ❑ Two (2) year contract term from the date of award
- ❑ Eligible Applicants
 - Cities, Towns & Villages with populations of less than 50,000
 - Counties with populations of less than 200,000
 - A complete list of eligible applicants can be found on the OCR website at <https://hcr.ny.gov/community-development-block-grant>, then select Program Guidelines
- ❑ 18% maximum for Administration, Program Delivery, Engineering and Architecture (if applicable)
 - Program Administration may not exceed 5% of the total CDBG funds requested
 - Please refer to the OCR Grant Administration Manual, for Financial Management for further guidance on eligible administrative and program delivery costs



Community Development Block Grant or CDBG housing applications are competitively reviewed in response to a Notice of Funding Availability (NOFA) and/or Request for Proposals (RFP) issued by the Office of Community Renewal. The contract term is two years which must be taken into consideration when developing the local program. Try to be realistic about what can truly be accomplished in the two year time frame permitted.

Incorporated Counties, Towns, Villages and Cities are eligible to apply which includes:

- Units of Local Government with populations of less than 50,000
- Counties with populations of less than 200,000

Please refer to the link included on this slide for a list of eligible communities. Not-for-profits and individuals cannot apply directly for NYS CDBG assistance.

A maximum of 18% of the total awarded funding provided to the municipality may be used for program administration, program delivery, as well as engineering and architecture if applicable to the project. This is an allowance, and the administration and program delivery costs identified in the application must be reasonable.

In addition to the aforementioned 18% cap on soft costs, requests for Program Administration funds may not exceed 5% of the total CDBG funds requested. An error message on the budget form will appear if the total request for program administration exceeds 5%. The budget section cannot be saved until this is corrected.

A cost is reasonable, in its nature and amount, when it:

- Does not exceed what would be incurred by a prudent person under the circumstances prevailing at the time
- Is consistent with sound business practices
- Is consistent with market prices for similar goods and services

The application must ensure that the maximum amount of CDBG funds is ultimately made available for program activities.

Please note that the Grant Administration Manual is being updated and will be available on the OCR website soon.

Program Overview

National Objective Compliance

LMH: Low/Mod housing direct benefit

- ❑ For homeownership assistance, beneficiaries must be qualified as low-and moderate-income
- ❑ For multi-unit housing rehabilitation, at least 51% of beneficiaries must be low-and moderate income
- ❑ Strict income documentation and verification is required
- ❑ Refer to 24CFR5.609 for further guidance on calculating annual income



All activities within the CDBG program must meet an eligible national objective as defined by the Housing and Community Development Act of 1974 at Section 105(c)(3). For the purpose of the NYS CDBG housing program, this compliance is demonstrated through LMH or low-and moderate income housing.

Households at or below 80% of the area median income are defined as low-and moderate income.

HUD provides three definitions for income, this is provided within the application and guidance kit which is currently available on the website through the funding opportunities link.

When developing the eligibility criteria for the housing program, the definition of income that fits the needs of the program should be defined and, if the application for housing assistance is successful, this definition must be used consistently during program implementation and marketing and outreach to prospective housing participants.

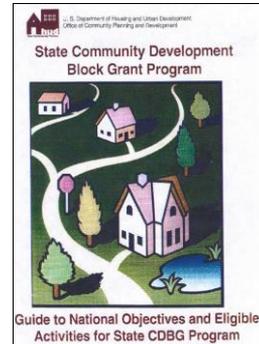
For buildings with 2 units, 1 of the 2 units must be LMI

For buildings with 3 units, 2 of the 3 units must be LMI

For buildings with 4 units, 3 of the 4 units must be LMI

For further information on National Objective:

**Guide to National Objectives and Eligible
Activities for State CDBG Programs**



http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/library/stateguide



More information regarding meeting a CDBG National Objective and eligible CDBG activities can be found on HUD's website from the link provided on this slide.

Program Overview

2019 Eligible Housing Activities

- Single Unit Housing Rehabilitation
- Multi Unit Housing Rehabilitation
 - 2-3
 - 4 or more unit
- Manufactured Housing Replacement



When completing your application in CDOL, you must identify the specific housing activity that is being proposed to be undertaken. In some cases, for a single project, multiple activities can be selected. Single unit and multi unit housing rehabilitation are separate activities. Single unit is defined as one housing unit in the structure.

The first multi-unit activity is defined as two to three units in a single structure, even if one unit in a three unit building is assisted, this activity must be selected. The second multi-unit activity is defined as four or more units in a single structure. Each multi-unit with four or more units must be identified by address and is treated as its own activity. For example, if the project proposes to assist three separate buildings each containing 4 units, three separate activity detail forms must be submitted, each one identified by address. Again, in the instance where one unit in a multi-unit building is assisted, the activity is still treated as multi-unit.

Housing rehabilitation addresses substandard conditions that currently exist, such as electrical upgrades, energy efficiency improvements, and structural repairs.

Repairs to manufactured housing will not be considered, this is for replacement only.

Replacement within a park is not eligible.

Replacement cannot occur within a floodplain or floodway.

Replacement can be with a new manufactured unit, a modular unit or stick built.

Program Overview

2019 Eligible Housing Activities

- Homeownership
- Homeownership with housing Rehabilitation
 - Single Unit Only
 - Unit that receives rehabilitation assistance must also receive homeownership



When completing your application in CDOL, you must identify the specific housing activity that is being proposed to be undertaken.

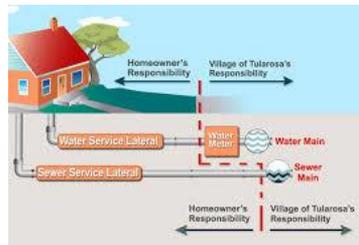
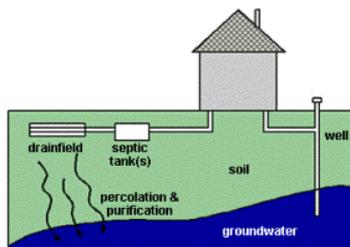
When selecting homeownership, the only additional activity that can be selected is single unit housing rehabilitation.

Rehabilitation is only available to a unit that also receives homeownership assistance at the same time.

If a unit received homeownership under a separate funding round, IT IS NOT eligible for rehabilitation assistance under this application, that must be provided through a separate application.

Program Overview 2019 Eligible Housing Activities

- Residential Septic & Well Replacement
- Lateral Connections



Other eligible housing activities include septic & well replacement and lateral connections.

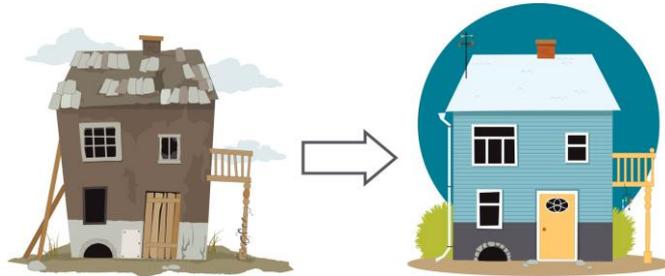
Costs should include internal plumbing modifications, if necessary.

Be sure to address engineering costs and any regulatory approval, such as Department of Health that may be required.

Application for wells and septic only should also address how any other housing rehabilitation needs may be addressed through other sources.

Program Summary Funding Limits

- ❑ Towns, Cities or Villages: \$ 500,000
- ❑ Counties: \$ 1,000,000
- ❑ Total Available for 2019: \$10,000,000



The total available for Program Year 2019 is up to \$10 million.

Towns, Cities and Villages can request up to \$500,000 in CDBG housing assistance.

Counties can request up to \$1,000,000 in housing assistance.

A municipality can submit more than one application, provided the total amount across all applications requested does not exceed the funding cap.

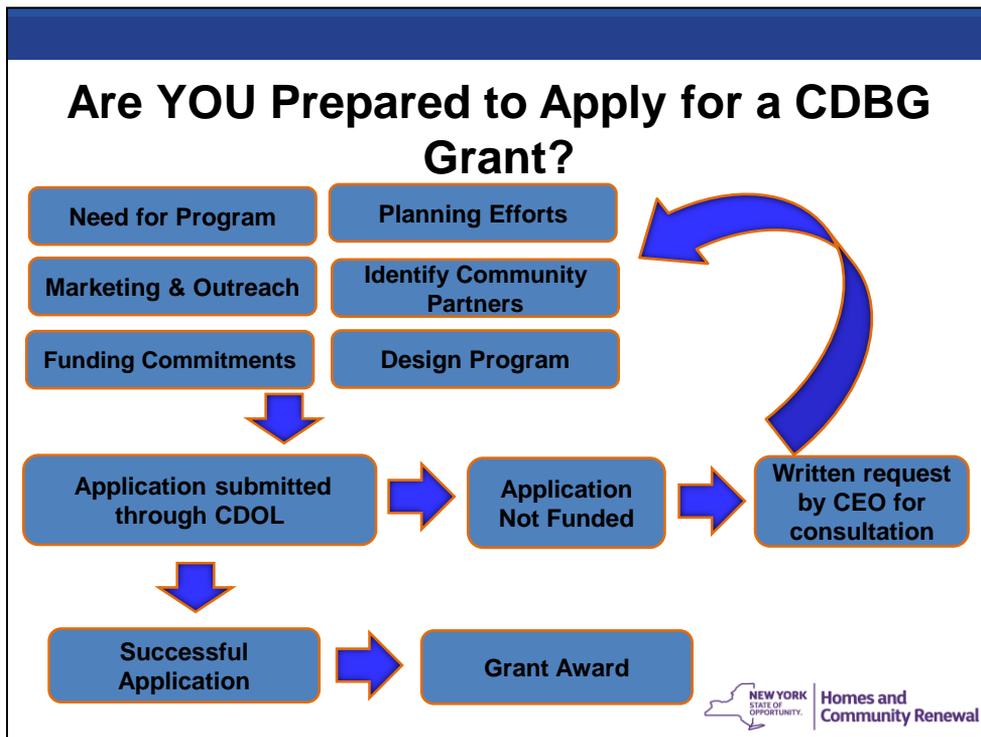
If a municipality intends on submitting an application through the 2019 CFA for economic development or small business assistance open round or for water and sewer, or public facilities, microenterprise or community planning in the 2019 competitive round, the amount of assistance requested in that round is separate and will not count against the housing round.

CDBG Housing Program

The Application Process



We will now begin to discuss the CDBG application.



This chart represents the decision making process that a municipality should go through to determine if they are ready to apply for a CDBG grant.

Once a need is identified, such as rehabilitation, for example, then outreach is conducted to determine if there is a demand for assistance, and the demand is demonstrated by developing a sufficient pool of eligible and interested applicants to participate in the program. It is critical to the success of your application that the correlation between the identified housing need and the demand for housing assistance be clearly identified.

Some important points to consider include:

1. Are there any other committed and available funding sources to use towards the project?
2. Are there written commitments for these other funding sources?
3. Is there a target area that would benefit most from this project, or would it be community wide?
4. Does the municipality have the capacity to undertake the program on its own or will it require assistance from a consultant or subrecipient?
 - a. The roles of consultants and subrecipients are addressed in the OCR Grant Administration Manual

For applications that are not successful, OCR will host a webinar in early spring 2019 that will offer guidance on how to address deficiencies that may have prevented the application from being funded.

The municipality needs to review the steps indicated above and then make the determination that it is ready to submit a successful application to the OCR.

Application Process Components and Points



- Need – 45 Points
- Impact – 30 Points
- Financial Capacity – 10 Points
- Administrative Capacity – 5 Points
- Green Building Bonus Points - 5 Points



All applications will be reviewed and scored based on the listed criteria.

It is used to determine:

1. The overall severity of need of the area
2. The impact the project will make in the area and the beneficiaries
3. The costs are reasonable and if the project is financially feasible
4. The municipality has an understanding of and is compliant with the project requirements in addition to their ability to administer the project in a timely manner

Needs Description

- ❑ Describe current conditions of the housing stock
- ❑ Description of the area that will benefit
- ❑ Supporting Documentation
 - Income surveys
 - Waiting list of applicants
 - Housing conditions surveys
 - Cost Estimates
 - Maps

most common
writing
MISTAKES



(too much description)



For all CDBG housing applications, the first criteria to consider is project need.

Housing Stock

This includes getting the most up-to-date conditions of housing stock in the area you have chosen.

What is the general condition of the housing stock?

How many units are severely substandard, substandard or standard?

How are these conditions being documented? This must be clearly explained.

How and when was the wait list established? From prior years? Has there been any recent outreach?

How does the application demonstrate past efforts to resolve the need for housing rehabilitation?

Area benefit

Determine if the proposed assistance will be a targeted area, or community-wide benefit based on demonstrated need. This can be determined through household income surveys or overall housing conditions surveys, in the case of housing rehabilitation applications, and through an analysis of local homeownership rates, housing affordability, as well as the condition of the local real estate market in the project area, for homeownership applications.

Supporting documentation

Supporting documentation is helpful in demonstrating the community's needs. A sufficient waiting list of applicants or homes that are interested in participating in the program demonstrates that there is a sufficient market for the program. As mentioned previously, housing conditions surveys as well as cost estimates help to demonstrate the current condition of the housing stock for housing rehabilitation applications.

Impact Description

- Must be specific to the project and activities being proposed
- Clearly demonstrate how the project will address the identified needs
- Provide a detailed description of the project
- Provide supporting documentation
 - Activity Detail Forms
 - Work Write-ups
 - Criteria and guidelines



The next criteria to consider is the impact of the housing activity. These items include:

Proposed project and activities

Provide a clear description of the project and be specific to the chosen project area. Will the proposed activity address housing rehabilitation?

Identify the needs

Provide a description of the relevant history of the area. Do not include an extensive historical description of the Town's founding. The information that that is provided must be directly related to the housing needs of the area. An example of this would be the loss of manufacturing jobs over the last 50 years and the impact this has had on existing housing conditions.

Detailed project description

The application needs to provide a complete picture of the project, explain how and why the proposed project will address the needs of the area. For instance, will the applicant be giving higher priorities to homes with serious deficiencies to primary and mechanical components?

The application needs to demonstrate how the low-and moderate income households that receive assistance will benefit from this project, why they need the help and how they will continue to maintain their homes. Will counseling or support services be provided to ensure the sustainability of the housing assisted? Is the homeowner obligated to occupy the home for a certain period of time following assistance? Be sure to describe this process. For manufactured Housing projects, will federal manufactured home construction and safety standards be followed?

Supporting documentation

Supporting documentation should include, but is not limited to:

- Work write-ups and cost estimates prepared by a professional
- Proposed program guidelines
- Accurate numbers on the activity detail forms
 - showing the number and level of units that are proposed to be rehabilitated or purchased
 - as well as the level of income of each household proposed to be assisted
 - The proposed units on the activity detail form **MUST** match the proposed units identified in the application, including narrative
 - Activity detail forms that do not match proposed units in the CDOL application proposed units and narrative will result in the loss of awarded points

A program implementation plan is strongly encouraged that demonstrates how the applicant will implement the program if awarded.

Financial Capacity

- ❑ Provide budget for entire project
- ❑ Include all funding sources (committed & pending)
- ❑ Supporting documentation for housing rehabilitation
 - Samples of completed housing conditions forms
 - Samples of completed work estimates
 - Evidence that estimates include lead based paint costs



Financial capacity involves:

Project budget

Provide the entire project budget, and include all budgets for each activity in the proposed project.

- Exhibit 1A, enter the total amount of CDBG funds to be requested
- Exhibit 5, the total CDBG funds on this page must match what was entered on 1A
- Exhibit must include the total of all funds.

Funding sources

The budget must include all proposed sources of funds. For example, if the application proposes to use a combination of HOME funds or any other source of financing for a housing program these funds must be identified in the budget.

Include all sources of private financing and commitments. Are other housing funding sources (AHC, HOME, Access) being leveraged for this project? Pending sources of funding can include any other source of funds that the applicant has applied for but has not yet received a formal award of funds. Commitments of other funding can only be demonstrated by providing written supporting documentation from the funding source that clearly states funds are committed and will be available upon award.

Supporting documentation for rehabilitation and home ownership

Provide a detailed breakout of costs associated with each activity to determine if the project is financially feasible, including what the average cost of rehab is for a multi-unit and what the average cost of rehab is for a single-unit.

Consider what type of assistance the applicant is providing to each homeowner.

- 100% grants?
- Deferred payment loans?
- Or a mix of both?

This type of assistance is driven completely by local needs. In other words, what type of assistance does the program need to provide in order to work?

If there are other funding sources included in the project, you need to identify the source and amount they will be contributing to each individual housing project.

The application should include a minimum of three sample scopes of work and cost estimates that are representative of current conditions. These should be completed by a professional, and should be presented in a consistent manner. Cost estimates need to show the average cost per unit, including the cost for lead based paint risk assessments and clearances, and any energy audit services if they are necessary.

In short, all costs associated with regulatory compliance must be included as part of the average cost of homes.

Administrative Capacity

Clearly demonstrate:

- An understanding of the CDBG program and applicable federal requirements
- The extent to which the application can demonstrate that there are no impediments to implement the program upon award
- The ability to complete the proposed activity on budget and within the two year term of the grant agreement



Finally, the application should address administrative capacity by describing the recipients ability to administer a CDBG housing grant. This includes a description of administrative and program delivery services, even when paid for by other sources. The application should consider:

CDBG and federal program requirements

This includes demonstration of a clear understanding of:

- Environmental regulations for SEQR and NEPA
- Site specific environmental requirements such as lead based paint regulations, SHPO, THPO and floodplain/insurance requirements
- Procurement
- Davis-Bacon labor standards, if applicable

Impediments

- Is the municipality ready to administer a CDBG housing grant upon award?
- Does the application include a sufficient pool of interested and eligible participants?
- If undertaking a rehabilitation component, can the application demonstrate a sufficient pool of qualified contractors?
- Qualified contractors must be EPA Certified Contractors for the purpose of lead based paint compliance

Identify experienced municipal staff who will be responsible for the administration of the grant or provide evidence that the municipality has or will obtain the services of a professional consultant or has entered into an agreement with a qualified subrecipient. Provide details related to the use of budgeted CDBG administrative funds, including estimates related to staff time.

Timely completion

The application must clearly demonstrate that the recipient has the ability to complete all activities within the two year term of the grant agreement. Identify any procedures in place to ensure timely implementation of the program.

Green Building Practices and Energy Efficiency

Up to 5 Bonus Points may be awarded based on the extent to which a Green Building and Energy Efficiency Plan clearly demonstrates:

- Performing a certified energy audit for each assisted unit
- Incorporating recommendations from the energy audit into the scope of work
- Use of green building materials in rehabilitation
- Use of energy and water conserving fixtures and systems
- Recycling materials where possible

Applications that are awarded bonus points and are awarded 2019 NYS CDBG housing funds will be monitored for compliance



It is important to note, that applicants that request and are awarded bonus points for green building, and that receive CDBG funds, may be required to demonstrate compliance during program implementation.

Application Tips

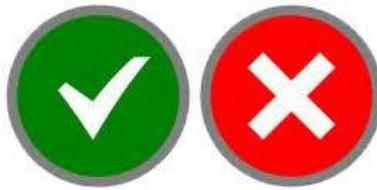
Common Deficiencies in Unsuccessful Applications



The following slides will provide application tips that will identify common deficiencies in prior CDBG applications.

Common Deficiencies in Unsuccessful Applications

- Failure to hold a public hearing prior to submission of an application or have the legal notice for the hearing published a minimum of 7 days prior to the public hearing
- Did not demonstrate a National Objective
- Failure to demonstrate the applicant's overall housing conditions
- Proposed beneficiaries do not have the lowest incomes and/or the most severe housing conditions
- Failure to provide evidence of a sufficient market of units proposed for rehabilitation



Unsuccessful CDBG housing applications usually include one or more of the following deficiencies:

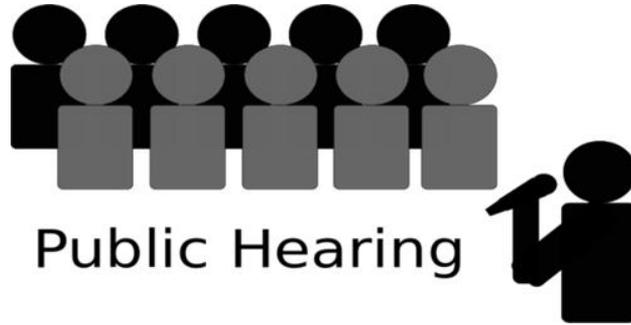
- A public hearing either was not held prior to application or a notice for the public hearing was not published at least 7 days before the hearing.
 - The date of publication is day zero, the first business day after the date of publication is the start of the notice period.
 - If the notice goes in the newspaper on a Friday, the first day of the notice period is the following Monday.
 - If the following Monday is a holiday, then day one of the notice period is Tuesday.
 - This is the number one reason that applications are deemed ineligible
 - This must be a public hearing held by the legislative body that is submitting the application
 - Public meetings are not acceptable
 - Hearings held by the Planning Board, for example are not acceptable
 - There is a template for a public hearing on the OCR website
 - The OCR is unable to provide a waiver when all public hearing requirements are not met
- Failure to demonstrate National Objective. For housing rehabilitation, single units must be low/moderate income and at least 51% of all multi units must be low/mod income.
- Failure to demonstrate the applicant's overall housing conditions. Applications frequently include housing surveys that do not address the housing conditions throughout the entire community or the housing surveys that are included are out of date (5+ years).

- The proposed beneficiaries do not have the lowest incomes and/or the most severe housing conditions. Applications that demonstrate a greater need for housing assistance may score better than those that don't.
- Failure to provide evidence of a sufficient market of units proposed for rehabilitation or an adequate pool of mortgage ready, eligible and interested applicants in the case of Homeownership applications. All CDBG Housing applications should include a waiting list of eligible, interested participants. A longer waiting list may result in a higher score.

Public Hearing Template

This is the location for the public hearing template:

<https://hcr.ny.gov/community-development-block-grant>



Further Program Requirements Post Award

- Pre-award costs are ineligible for CDBG reimbursement
- The following must occur prior to incurring **ANY** project costs:
 - Recipient must receive formal grant award
 - Grant agreement must be fully executed
 - Compliance with Schedule A Conditions
 - Completion of Environmental Review Record
 - Obtain Approval from OCR for Release of Funds



This presentation has been intended to assist interested applicants to develop a highly qualified application and program.

For applications that are deemed successful and awarded funding, it is important for recipients to continue to follow CDBG program requirements including meeting national objective compliance, need, impact, financial and administrative capacity.

It is important to note that pre-award costs such as application preparation costs or environmental reviews completed in anticipation of funding and surveys conducted prior to the award of funds, are pre-award costs and not eligible for CDBG reimbursement.

Recipients must receive approval from OCR for the release of funds prior to incurring reimbursable expenses.

Further Program Requirements

- Identify and remediate environmental hazards (lead based paint, asbestos)
- Minority and Women-Owned Businesses (MWBE)
<http://www.esd.ny.gov/MWBE.html>
- Title VI of the Civil Rights Act of 1964. As amended (42 U.S.C. 2000d et seq.)
- The Fair Housing Act (42 U.S.C. 3601-3620)
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101)
- Affirmative Marketing
- Americans With Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, 225)
- Section 3 of the Housing and Urban Development Act of 1968
- Davis Bacon Related Acts



This list will assist the applicant with the identification of additional program requirements and regulations that may need to be addressed in the application and that may ultimately be applicable if the application is funded.

As part of the administrative capacity portion of the application, a clear understanding of these requirements must be demonstrated.

Getting Started with CDOL



The following slides will provide application tips that will help navigate the CDOL application process.

Getting Started with CDOL

What is Community Development Online?

- ❑ Community Development Online (CDOL) is Homes and Community Renewal's (HCR) online application system for Local Program Administrator (LPA) and Capital Project Programs
- ❑ Applicants must be registered in HCR's Statewide Housing Activity Report System (SHARS)
- ❑ Applicants must designate a Security Manager for the organization
- ❑ If you ARE registered under SHARS but have NOT previously used CDOL you may submit a Security Manager Registration form found at:
<https://hcr.ny.gov/system/files/documents/2018/11/cdol-securitymanager.pdf>
- ❑ If your organization has NOT previously applied for funding you must submit an Application Registration Form found at:
<https://hcr.ny.gov/system/files/documents/2018/11/cdol-applicant-registration.pdf>
Applicants respond to questions in each step, upload documents, & certify their application



Community Development Online (CDOL) is Homes and Community Renewal's (HCR) online application system for Local Program Administrator (LPA) and Capital Project Programs, and was formerly known as CDWAS. Note that if you are registered under CDWAS you do not need to re-register under CDOL.

Applicants must designate a Security Manager for the organization as part of the CDOL registration process. It is very important to complete the registration process as soon as possible.

If you ARE registered under SHARS but have NOT previously used CDOL you may submit a Security Manager Registration form found at the first link listed on the slide.

If your organization has NOT previously applied for funding you must submit an Application Registration Form found at the second link on the slide.

If the Recipient is working with a not-for-profit housing agency to develop the application, the Recipient or Municipality must be registered with CDOL.

Once registered in CDOL, applicants must respond to questions in each step, upload documents, and certify their application.

Using CDOL CDBG Programs

The submission of a CDBG application via CDOL requires 5 steps:

- Step 1 – Completing online application exhibits
- Step 2 – Validating online application exhibits
- Step 3 – Certifying & submitting online application exhibits
- Step 4 – Uploading and submitting or omitting attachments
- Step 5 – Certifying attachments



The submission of a CDBG application via CDOL requires these 5 steps:

Step 1 – Completing online application exhibits.

Step 2 – Validating online application exhibits.

Step 3 – Certifying and submitting online application exhibits.

Step 4 – Uploading and submitting or omitting attachments.

Step 5 – Certifying attachments.

Contents of CDOL Application CDBG Program

- ❑ A complete CDBG housing application includes 5 exhibits
 - Exhibit 1 – Application Summary
 - Exhibit 2 – Program Summary
 - Exhibit 3 – Proposal and Activity Detail
 - Exhibit 4 – Relevant Experience
 - Exhibit 5 – Budget/Financing Plan



It is extremely important to remember that for the CDBG Program CDOL will shut down on **Friday, April 26, 2019 at 4:00pm.**

Starting early will allow the application to be completed on time.

1. Do not wait until the last day to call with questions.
2. Do not wait until the last minute to complete the upload and to complete the certification and verification, if something is wrong or goes wrong, there may not be enough time to fix.
3. This year, some of the narrative questions have been re-worded so read the questions carefully. **Do not just copy and paste answers from previous years.**
4. When completing narrative sections, a good practice is to finish in Word and then copy and paste into CDOL.

Be sure to carefully review the instructions for the complete list of attachments.

Contents of CDOL Application CDBG Program

- ❑ A complete CDBG housing application includes up to 13 attachments:
 - Applicant/Recipient Disclosure/Update Report (Required)
 - Certification Form (Required)
 - Citizen Participation Documentation (Required)
 - Fair Housing Plan and Supporting Documentation (Required)
 - Section 3 Compliance Documentation (Required)
 - Program Income Report (Required)
 - Housing Conditions Survey (Required)
 - Confidential Materials
 - Funding Commitment Letters
 - Letters of Community Support
 - Cooperation Agreement
 - Green Building Bonus Points
 - Other Uploads



Questions?

If you have any questions please contact
NYS OCR at ocrinfo@nyshcr.org, state **2019 CDBG
Housing Application** in the subject line

The **NEW** OCR Grant Administration Manual is at:
<https://hcr.ny.gov/community-development-block-grant>,
click on the Grant Administration Manual tab



If you have any questions please contact NYS OCR at ocrinfo@nyshcr.org.