



**Homes and  
Community Renewal**

# **CDBG Orientation Webinar Series**

## **1. Getting Started**

January 15, 2020

## The Orientation Webinar Series

1. Getting Started - today
2. Environmental Review – January 22, 2020
3. Financial Management – January 29, 2020
4. Program Administration – February 5, 2020
5. Lead-Based Paint – February 12, 2020



This is the first in a series of five webinars designed to provide an overview for new CDBG grantees. The webinars will be held over the next two months, each one hour in length, and include:

1. Getting Started – today’s webinar
2. Environmental Review – scheduled for January 22
3. Financial Management – scheduled for January 29
4. Program Administration – scheduled for February 5
5. Lead-Based Paint compliance for housing activities– planned for February 12

The webinars are designed for local government recipients and their participating subrecipients and consultants to help prepare for grant start up and implementation. The webinars will identify the key start-up and administrative issues, and provide guidance on resources and documentation. While this has been designed for new grant recipients, current partners will also gain insights into grant administration that may help improve compliance with existing grants.

## Objectives This Webinar

1. Familiarize you with your key reference materials
2. Review the requirements for grant agreement execution
3. Outline next steps for start-up



The objectives of this first webinar are to:

1. Familiarize you with some key reference materials;
2. Review the requirements necessary for grant agreement execution; and
3. Outline some of the next steps for grant start-up.

# Primary References



Let's start with identifying your key resources for program start-up and implementation.

## Key References



There are four primary resources that each grantee must be aware of and utilize to implement a CDBG grant.

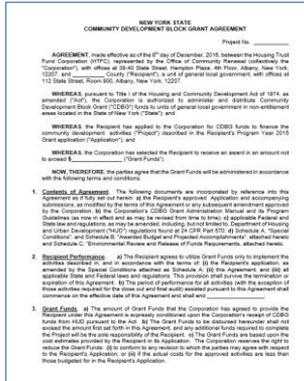
1. First, the grant agreement that you have executed or will execute with the Office of Community Renewal.
2. Second is the Grant Administration Manual, which is a comprehensive document prepared by OCR to guide you through grant implementation.
3. The OCR introduced a major overhaul to the Grant Administration Manual, this was posted to the website March 29, 2019.
4. Third, the OCR website contains the reference documents and forms that you will need to download, execute and maintain to execute the contract and document compliance with CDBG requirements.
5. And finally, while the OCR manual and website contain most of the information recipients will need to implement their grants, ultimately each local recipient is responsible for compliance with CDBG regulatory requirements. Recipients should know to reference the regulations – available at the HUD Exchange – when confirming compliance with CDBG requirements. The HUD Exchange is also a great resource for other HUD guidance and samples.

# 1. Grant Agreement

Includes:

- Standard terms & conditions
- Schedule A - conditions
- Schedule B - budget, accomplishments
- Schedule C - environmental review

Two year time frame except for planning grants, which have a 14 month term



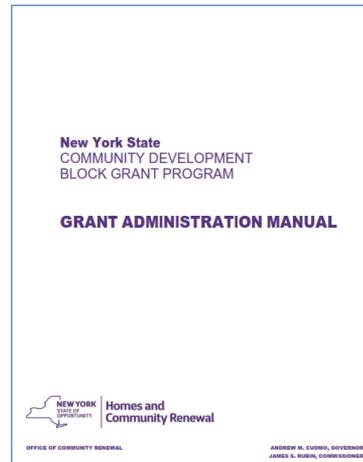
In addition to the standard terms and conditions that are contained in the body of the agreement, there are three essential “Schedules” attached to the basic agreement which contain key requirements for each recipient. They are:

- Schedule A – This contains grant conditions that the recipient must meet prior to execution of the grant agreement.
- Schedule B – This Schedule contains the schedule, key accomplishments and the budget of approved uses of CDBG funds.
- Schedule C – This contains the requirements for environmental review, which will be discussed in greater detail in Webinar 2 of this Series.
- In addition to the three schedules, the grant agreement will also include:
  - Designation of Depository Form
  - Authorized Signature Form
  - Project Schedule
  - Project Team
- These additional forms are covered on a later slide

Recipients should note that contracts are for two years beginning on the date of award.

## 2. Grant Administration Manual

1. Getting Started
2. Environmental & Historic Review
3. Financial Management
4. Procurement Standards
5. Eligible Activities
6. Construction Requirements
7. Other Federal Requirements
8. Files and Maintenance
9. Modifications and Amendments
10. Monitoring
11. Reporting
12. Grant Closeout



The GAM has been compiled by OCR to guide local recipients through the start-up and implementation of their CDBG grants. The manual is available online and is periodically updated. Recipients must always refer to the most recent version of the manual before undertaking any activity.

1. Getting Started – Contains more detail on the topics we will discuss in this webinar.
1. Environmental & Historic Review – This Chapter addresses the federal and state environmental review responsibilities that local recipients face as the “Responsible Entity” for the grant.
2. Financial Management – This chapter addresses federal financial management responsibilities, which will be addressed in Webinar 4.
3. Procurement Standards – This Chapter offers guidance on the federal requirements for procurement, whether for consultants or contractors.
4. General Provisions – This Chapter contains guidance on some of the cross-cutting federal requirements that pertain to CDBG projects, such as labor and Lead-Based Paint (which we will cover in Webinar 5).
5. Eligible Activities – This is a new Chapter and will provide guidance on the three primary CDBG activities, Public Infrastructure, Housing and Economic Development
6. Construction Requirements – This Chapter, formerly Chapter 5 will provide guidance on Davis-Bacon, lead based paint, Section 3 and MWBE.
7. Other Federal Requirements – This Chapter will provide guidance on Civil Rights requirements, Conflicts of Interest, Income Eligibility and displacement, relocation and acquisition
8. File Maintenance – This Chapter provides an overview of the files required for different types of activities, as well as overall compliance files. This will provide guidance on Grant Files, Project Files and Regulatory Compliance Files.
9. Modifications & Amendments – This Chapter is important if you need to do a budget or schedule modifications, or other amendments.
10. Monitoring – This Chapter explains how OCR will monitor the project, how to prepare for

monitoring, as well as guidance for the Recipients responsibilities to monitor subrecipients and others that work for you.

11. Reporting Requirements – This Chapter will provide guidance on Financial Reporting, the Annual Performance Report, the Project Status Report, Davis-Bacon Labor Standards Reporting and Section 3 and MWBE Reporting.
12. Grant Closeout – This Chapter will provide guidance on the grant closeout process.

### 3. CDBG Web Site

For all Public Water, Public Sewer, Public Facility, all Housing Related Activities and Community Planning, go to

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

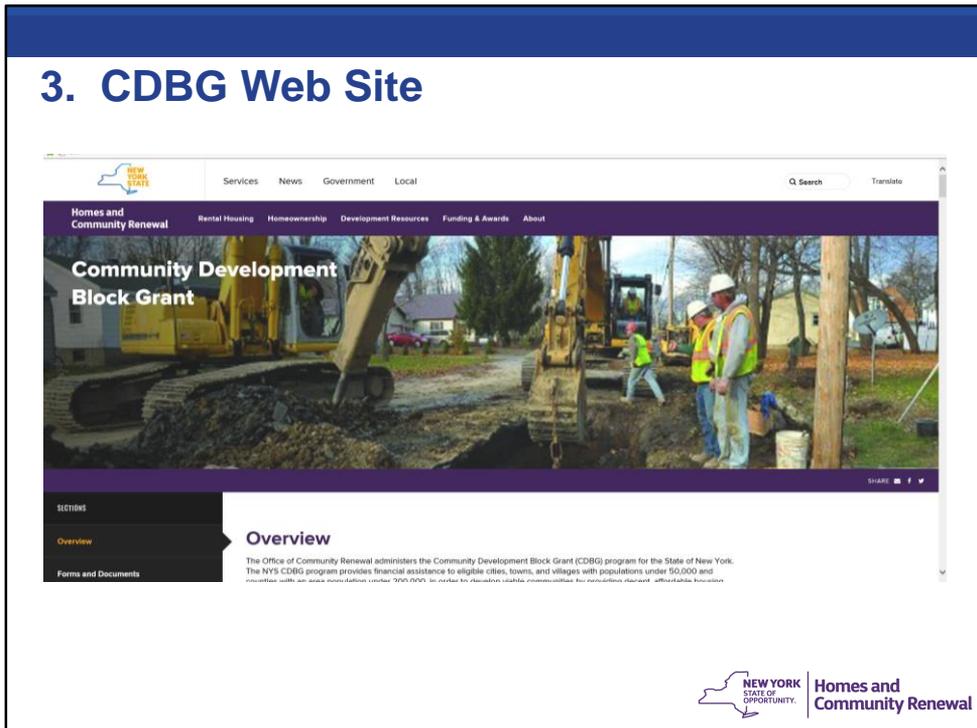
For all Economic Development, Small Business Assistance and Microenterprise Projects, go to

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



Depending on the type of activity that is being undertaken, you will go to one

### 3. CDBG Web Site



This is the main page for the CDBG program website

### 3. CDBG Web Site

The screenshot shows a web page titled "Community Development Block Grant" with a sidebar menu and a main content area. The sidebar menu includes sections like Overview, Forms and Documents, Program Guidelines, Grant Administration Manual (highlighted), Funding Round Materials, and Resources. The main content area features the title "Grant Administration Manual" and a brief description. Below this is a table listing various manual sections with download links.

Document Title	Download Link
Announcement of Changes to Grant Administration Manual Announcement of Changes to Grant Administration Manual	DOWNLOAD
CDBG Grant Administration Manual Chapter 1: Getting Started CDBG Grant Administration Manual Chapter 1: Getting Started	DOWNLOAD
CDBG Grant Administration Manual Chapter 2: Environmental and Historic Review CDBG Grant Administration Manual Chapter 2: Environmental and Historic Review	DOWNLOAD
CDBG Grant Administration Manual Chapter 3: Financial Management CDBG Grant Administration Manual Chapter 3: Financial Management	DOWNLOAD
CDBG Grant Administration Manual Chapter 4: Procurement Standards CDBG Grant Administration Manual Chapter 4: Procurement Standards	DOWNLOAD
CDBG Grant Administration Manual Chapter 5: Eligible Activities CDBG Grant Administration Manual Chapter 5: Eligible Activities	DOWNLOAD

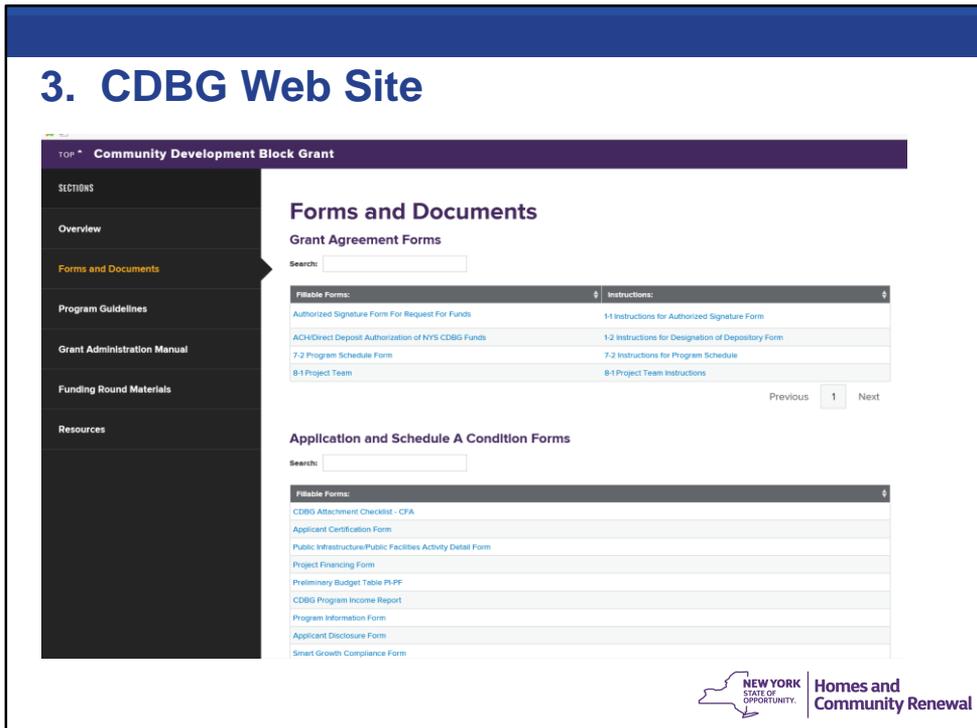
NEW YORK STATE OF OPPORTUNITY | Homes and Community Renewal

This is the what you will see when you click on the current Grant Administration Manual.

It is highly recommended to bookmark this page.

As chapters are updated, or revisions are made, you will be responsible for complying with updates. Major revisions will be listed in the first section entitled Announcement of Changes to Grant Administration Manual.

### 3. CDBG Web Site



This is the Forms page of the website.

All forms are pdf fillable and are organized according to sections.

Please note that the Request for Funds forms have been updated.

Unless otherwise requested, all forms should be submitted to the OCR electronically.

The exceptions to this:

1. The fully executed Grant Agreement and required forms
  - Authorized Signature Form for Request for Funds
  - ACH/Direct Deposit Authorization of NYS CDBG Funds
  - 7-2 Program Schedule
  - 8-1 Project Team
2. Form 1-3 which is required for the Release of Funds

These forms require original signatures.

## 4. HUD Exchange

[www.hudexchange.info/programs/cdbg/](http://www.hudexchange.info/programs/cdbg/)

Source for:

- CDBG Rule: 24 CFR Part 570
- Community Planning and Development (CPD) Notices
- Basically CDBG manual/slides
- CPD income calculator
- Toolkits



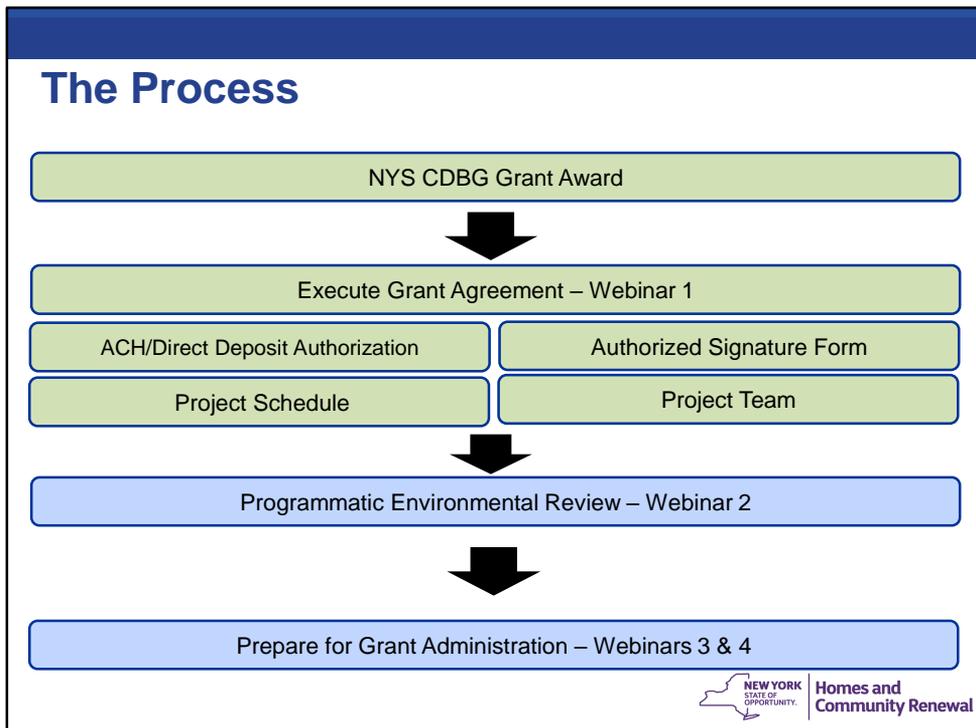
While OCR has compiled most key information and requirements into the agreement, the Manual, and its web site, HUD also has a web site – known as the HUD Exchange – that offers a wealth of products and tools that those implementing CDBG programs find to be very valuable.

The HUD Exchange is a resource for:

- The CDBG regulation – Local recipients are responsible for full compliance with CDBG rules at 24 CFR Part 570. When a rule reference is mentioned – usually referred to as “Part 570” or “570.\_\_\_\_” – recipients should check the rule to ensure they have fully complied.
- CPD Notices – These are guidance documents issued by HUD to guide recipients in various CDBG issues. Check the HUD Exchange for any notices that pertain to your activity.
- Basically CDBG manual/slides – The “Basically CDBG” manual and slides are the core CDBG training program offered by HUD. You may find it useful to read the chapters that pertain to your particular activity, and perhaps use the related slides to train officials and staff in the basic requirements.
- CPD income calculator – This optional online calculator can be used to calculate and document income eligibility.
- Toolkits – There are a variety of toolkits – for example, on economic development and cross-cutting federal requirements – that provide additional background to help you comply.

You are encouraged to explore the resources available at the HUD Exchange. There may be samples and tools that help you achieve full compliance. And remember that you are responsible for compliance with CDBG regulations.

# Grant Start Up Process



Upon designation of the grant award to your jurisdiction, OCR will begin to prepare the Grant Agreement and conditions that you will have to meet. The Agreement will be forwarded to you for review and execution, along with the required conditions to be met. You will execute the Grant Agreement, along with the four forms listed – Designation of Depository, Authorized Signature, Project Schedule and Project Team – and return both sets of the executed Agreement, Forms and evidence of any Schedule A Conditions that are met to OCR within 45 days.

Next, you will undertake your responsibilities to conduct the environmental review required for the activity, which we will address in Webinar 2.

Then you will set up for grant administration, which will be the topic of Webinars 3 and 4. However, please note that the principles and guidelines related to program administration and financial management apply from the beginning and through the entire life of the grant. Therefore, it remains critical to familiarize your team with the resources identified in this webinar.

# Grant Agreement Execution



Let's go through the details of grant agreement execution.

## First Step: Execute the Grant Agreement

Must execute within 45 days of award

Must be signed by the Chief Elected Official (CEO)

Any Applicable Schedule A Condition(s) must be met to the satisfaction of the OCR

**Grant Agreements are due back by February 3, 2020**

**If this date cannot be met, contact your  
Community or Economic Developer**



The Grant Agreement must be executed and the Conditions specified in Schedule A must be met within 45 days of award.

All grant agreements issued through the CFA Round are due Monday February 3, 2020.

## Required Documents to Execute Agreement

Under “Forms” – “Schedule A Condition Forms”:

- ✓ Schedule A conditions (as applicable)

Under “Forms” – “Grant Agreement Forms”:

- ✓ Authorized Signature Form
- ✓ ACH/Direct Deposit
- ✓ Form 7-2 Program Schedule
- ✓ Form 8-1 Project Team

Form Name	Description
Authorized Signature Form for Request for Funds	8-1 Authorized Signature Form
ACH/Direct Deposit Authorization of NYS CDBG Funds	7-2 Authorization for Disbursement of Disbursement Form
7-2 Program Schedule Form	7-2 Authorization for Program Schedule
8-1 Project Team Schedule	8-1 Project Team Schedule
8-1 Project Team Schedule	8-1 Project Team Schedule
Application and Schedule A Condition Forms	



In addition to the executed Grant Agreement, the following forms or documents are required to be submitted.

First, any Schedule A Conditions must be met and documented.

Next, the following Forms must be executed:

- Authorized Signature Form for Request for Funds
- ACH/Direct Deposit Authorization of NYS CDBG Funds
- Form 7-2 Program Schedule
- Form 8-1 Project Team

You will find these forms under “Forms” on the web site. Click on “Grant Agreement Forms”.

Finally, if the CDBG activity involves the rehabilitation or acquisition of housing, you must also execute Forms certifying compliance with LBP requirements – either Form 5-1 if rehabilitation will occur, or Form 5-2 if acquisition only will occur. These forms can be located under “General Grant Administration” on the Forms page. If your activities do not involve housing, then these Forms do not apply.

## Schedule A Conditions

Common Conditions can include any of the following, depending on the activity and application documents submitted:

- Final Program Design Plan & related program documents
- Public Infrastructure Activity Detail
- Revised Budget Table
- Evidence of local match



Schedule A Conditions are unique to each recipient, so you will have to refer to Schedule A of Agreement. Common Conditions can include any of the following, depending on the activity and application documents submitted:

- Final Program Design Plan & related program documents (such as applications),
- Smart Growth Public Infrastructure Act Criteria form if insufficient or not included with the application,
- Public Infrastructure Activity Detail form if beneficiary information was unclear or incomplete
- Revised Budget Table form,
- Evidence of local match, and
- Civil Rights Compliance such as Fair Housing or Section 3 documentation

See your Schedule A for your specific Conditions, and talk with your OCR contact if you have questions.

## Authorized Signature Form

- Persons authorized to sign requests for funds
- Requires 2 municipal employee or official signatures
- Consultants and Subrecipients cannot be second signature
- Cannot be the Chief Elected Official (CEO); CEO must review/sign **AFTER** designated signatories are determined (dates must be different)
- All original signatures

**AUTHORIZED SIGNATURE FORM FOR REQUEST FOR FUNDS**

Requester Name: \_\_\_\_\_  
 CDBG Project #: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_  
 Date of initial submission: \_\_\_\_\_

New Submission: Yes  No  Updated   Date of initial submission: \_\_\_\_\_

All signatories are required to be municipal employees. Municipal employees cannot be authorized to sign Request for Funds. Municipal employees do sign Requests for Funds under 16.1.8 and 16.1.9. Municipal employees cannot sign checks related to the disbursement of WTS CDBG Funds.

**Chief Elected Official and non-municipal employees, Subrecipients and Consultants cannot be authorized signatories on this form.**

1. Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Typed Name \_\_\_\_\_

2. Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Typed Name \_\_\_\_\_

3. Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Typed Name \_\_\_\_\_

4. Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Typed Name \_\_\_\_\_

I certify that the signatories shown above are the legal signatories of those municipal employees authorized to sign requests for CDBG funds from the Office of Community Renewal. The Chief Elected Official may not sign this document prior to obtaining the signatures of authorized individuals.

Signature of Chief Elected Official \_\_\_\_\_ Date: \_\_\_\_\_  
Must be at least one day later than above dates

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Office of Community Renewal (OCR)



The Authorized Signature Form (Form 1-1) designates the local officials authorized as signatories for requests for payment. Note that some of the procedures to complete this form have changed:

All signatories must be a municipal employee or official, other than the Chief Elected Official (CEO). It is now required that at least two officials or employees sign each payment request (drawdown) to safeguard that grant funds are being used for allowable and authorized costs. Consultants and subrecipients can no longer be authorized signatories in any circumstance. Also note that those authorized to sign disbursement requests cannot also sign checks or authorize payment of CDBG funds to vendors. This ensures appropriate internal controls.

The CEO must review and sign the form **ONLY AFTER** designated signatories are determined. The date of the CEO signature must be at least one day later than the other signatories' signatures. All signatures must be originals on the Form submitted.

Finally, please be aware that signatures are verified as part of the request for funds approval process. If a name is changed, please update the form and submit the original to OCR or funds processing will be delayed.

## ACH/Direct Deposit Authorization

Recipient must open a non-interest-bearing checking account to receive electronically and disburse CDBG funds only

- Must be in name of recipient
- May use prior year CDBG account
- If possible, use bank located in project area

Execute and submit for each grant

Do not hand write, except for initials

The form is titled 'ACH/DIRECT DEPOSIT AUTHORIZATION' and is part of the 'NYS CDBG Program'. It contains several sections:
 

- Agency Information:** Fields for Agency Name, Paper Project Number, City, State, and ZIP Code.
- Financial Institution Information:** Fields for Account Number, Bank Name, and Branch Name.
- Authorization:** Fields for Authorized Signatory Name, Title, and Printed Name.

 There are also checkboxes for 'ACH/Direct Deposit' and 'ACH/Direct Deposit' and a section for 'ACH/Direct Deposit' with a 'Printed Name' field. A red circle highlights the title 'ACH/DIRECT DEPOSIT AUTHORIZATION' and another red circle highlights the 'ACH/DIRECT DEPOSIT AUTHORIZATION' section.



Recipients must open a dedicated, **non-interest bearing** checking account in the name of the municipality for the electronic deposit of NYS CDBG funds and for Recipients to disburse payment for activities covered by NYS CDBG funds.

Non-CDBG funds CANNOT be co-mingled in this account. This includes, but is not limited to General Funds, local Capital Funds, and co-funded dollars from EFC, USDA, BAN or bond funds.

If a Recipient has an existing non-interest bearing account that was open for prior year NYS CDBG projects, the Recipient may use that existing account, but separate financial records must be maintained.

If possible, the funds should be deposited in a bank located within the project area (defined as the jurisdiction of the Recipient's local government).

A new **Designation of Depository Form (Form 1-2)** must be submitted for each grant awarded to a Recipient. It authorizes the deposit of NYS CDBG funds directly in the Recipient's designated bank account for the grant.

Please be sure to include a voided or cancelled check with the form.

If the account is all electronic and no checks will be issued, submit either a deposit slip or a statement from the Chief Financial Officer that the account is in the Recipients name, is non-

interest bearing and is dedicated for CDBG funds only.

If hand written, except for initials, form will be rejected.

Be sure to enter the CDBG Project Number at the top of the page.

Be sure the two boxes in the middle of the page are initialed.

## Form 7-2. Program Schedule

Identify key program milestones

Indicate with "X" the month you expect to complete

Update during contract term if schedule changes

Estimate NYS CDBG funds to be requested by quarter

FORM 7-2

### PROGRAM SCHEDULE

1. Recipient Name	2. Project #	3. Date:	Updated Form					
4. Project Name:								
5. Effective Date:	1st QTR	2nd QTR	3rd QTR	4th QTR	5th QTR	6th QTR	7th QTR	8th QTR
6. Milestones								
Submit Grant Agreement								
Submit Environmental Review								
Submit Final Drawdown								
25% of Funds expended								
50% of Funds expended								
75% of Funds expended								
Submit Final Drawdown								
Submit Final Annual Performance Report								
7. Total Amount of CDBG Funds Requested (quarterly):								

Prepared by: \_\_\_\_\_ Email: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Office of Community Renewal 12/2016



Form 7-2 identifies the Program Schedule. The schedule is based on key milestones, such as:

- Submission of the Grant Agreement
- Submission of the Environmental Review Record
- Submission of the first drawdown of funds.
- Submission of final drawdown of funds

Do not hand write the form, handwritten forms will be rejected

All fields must be completed

The Form also includes an estimate of the CDBG expenditure schedule by quarter.

## Form 8-1. Project Team

- ✓ Identify specific local grant contacts as applicable
- ✓ Local Grant Contact must be municipal employee (not CEO)
- ✓ Fair Housing Officer required for all projects regardless of the activity being undertaken
- ✓ Section 3 Coordinator required if grant > \$200,000

Form 8-1 Project Team

1. Municipal Information			
Name	[Con/CO/TV]		
Address			
City/TV	State	NY ZIP + 4	
Phone	E-mail		
Website			
DOB	DUSS		
CEISO #	TV End		

**2. Local Grant Contact (If term is ending, please provide new contact information)**

Name	[Con/CO/TV]		
Term Effective Date	Term End Date		
City/TV	State	NY ZIP + 4	
Phone	E-mail		

**3. Local Grant Contact (Must be a municipal employee other than CEO)**

Name	[Title]		
Address			
City/TV	State	ZIP + 4	
Phone	E-mail		

**4. Municipal Clerk**

Name	[Title]		
Address			
City/TV	State	NY ZIP + 4	
Phone	E-mail		

**5. Municipal Treasurer or Chief Financial Officer**

Name	[Title]		
Address			
City/TV	State	ZIP + 4	
Phone	E-mail		

**6. Municipal Attorney**

Name	[Title]		
Address			
City/TV	State	ZIP + 4	
Phone	E-mail		
	Municipal Employee	[Yes/No]	

**7. Fair Housing Officer**

Name	[Title]		
Address			
City/TV	State	ZIP + 4	
Phone	E-mail		

Project Team 1 02001



Form 8-1 identifies the key project team members. It serves the purpose of identifying specific local grant contacts, as they may be applicable to the grant.

All applicable Team Members must be provided, regardless of the source of funds or activity.

A few notes:

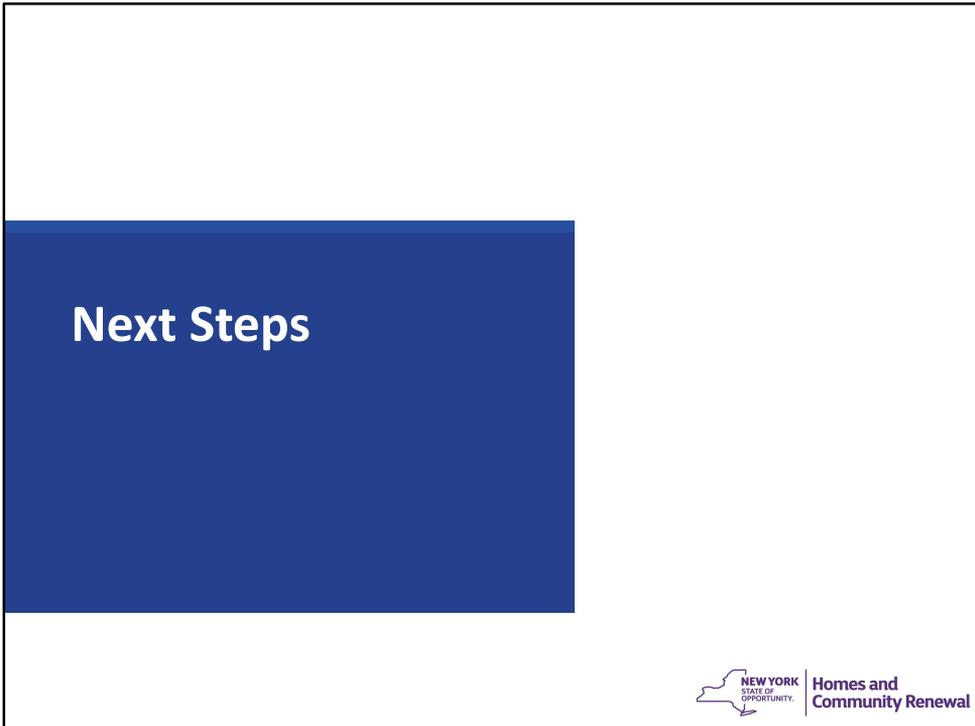
- For the Subrecipient, only provide this if it is a true Subrecipient relationship, i.e. with a Subrecipient agreement in place. A Subrecipient relationship means that, for example, a local housing group is undertaking the activity on behalf of the Recipient.
- The Local Grant Contact must be a local municipal employee.
  - It cannot be the CEO of the jurisdiction or a consultant.
  - The Local Grant Contact must have knowledge of the project and be able to answer questions or provide project updates
  - CEO's and Local Grant Contacts must have different email addresses.
- The Municipal Clerk must be identified as the County Clerk, City Clerk, Town Clerk or Village Clerk.
- A Fair Housing Officer is required for all programs, including housing, infrastructure, facilities and all economic development activities.
  - The Fair Housing Officer must be a local municipal official or employee
  - A local housing group can sometimes act as Fair Housing Officer
- A Section 3 Coordinator is required if the grant is greater than \$200,000.
- Labor Standards Compliance Officer is required for any project subject to Davis-Bacon.
- It is strongly encouraged that the Fair Housing Officer, the Section 3 Coordinator and the

Labor Standards Compliance Officer, when applicable, be designated by local resolution at organizational meeting

- If designated by resolution, designation should be by title not by name, this avoids issues if the person leaves the position

This team information is updated with the Annual Performance Report or can be updated throughout the year by notifying the assigned Community or Economic Developer

Do not hand write, handwritten forms will be rejected.



After the Grant Agreement and supporting documentation are executed, the recipient can begin to set up for implementation. Three important start-up activities are addressed here – creation of administrative plan, decisions regarding staffing program administration, and program environmental clearance.

## Administrative Plan **\*NEW\***

An administrative plan is now required for all new awards

- Administrative structure
- Project management
- Financial management

See Manual Exhibit 1-1 Program Manual Guidelines for recommended policies by activity type

See Manual Exhibit 1-2 for applicable federal statutes and regulations



An administrative plan is required and is intended to help organize the recipient to complete the grant.

An administrative plan will address:

- Administrative structure,
- Project management policies and procedures, and
- Financial management policies and procedures.

Guidance is provided in Manual Chapter 1.

The Administrative Plan must be submitted and approved by OCR when submitting the first request for funds.

A template is available on the CDBG website.

## Organizing for Grant Administration

Recipients are directly responsible for the grant funds and compliance

If Recipient uses Subrecipient, consultant or engineer

- Must properly select the partner (consultant or engineer must be procured), and
- Enter into a contract for services
- Subrecipient Agreements must be submitted to OCR for review

If using other parties:

- Recipient must oversee progress of activities and compliance
- Recipient remains responsible for draws/disbursements



Recipients must determine the best method of administering their NYS CDBG project.

A recipient can choose to directly administer the CDBG project, or it may choose to utilize either a subrecipient or a contractor or consultant to administer activities on its behalf.

A Subrecipient must directly undertake the activity on behalf of the Recipient, for example, a housing group may be selected to oversee a housing project.

Direct responsibility for completion of grant activities, compliance with federal and state requirements, and proper financial management of NYS CDBG funds always rests with the Recipient's governing body.

The lack of proper procurement is one of the biggest issues that Recipients encounter during the administration of their project, and can result in some costs being deemed ineligible for CDBG reimbursement.

If a recipient chooses to utilize a subrecipient or consultant/contractor:

- If a private individual or firm is to be hired to administer its CDBG funded activities, the Recipient must follow the all-applicable procurement guidelines. Refer to Chapter 4 of the Manual for guidance on federal procurement requirements. Consultants must be retained through a Request for Proposal (RFP). Do not use a Request for Qualifications (RFQ) for the selection of a consultant.
- Designation of a subrecipient does not require procurement, but still should be carefully selected with the appropriate capacity and skills.

- A subrecipient is defined at 24 CFR 570.500(c) as a public or private nonprofit agency, authority or organization, or an entity receiving CDBG funds from the Recipient to undertake the activity directly.
- However, note that non-profit does not equal subrecipient. The funds must flow through a subrecipient; if not, then they fall under consultant and procurement is required.
- Note that a subrecipient cannot undertake a public works project, for example, the bidding and construction of a neighborhood sewer improvement
- The recipient must enter into a contract for services that describes the division of grant management responsibilities and all compliance responsibilities of the contracted party. Required contract provisions are discussed in Manual Chapter 1.
  - Subrecipient agreements must be submitted to OCR prior to first draw for services.

Recipients that contract for administration and program delivery services must take a hands-on approach to ensure the funded activities are accomplished as proposed and to remain informed of the project status throughout the term of the grant agreement with OCR, including oversight of the implementation of the project. As noted earlier, the recipient also remains responsible for disbursement of CDBG funds.

The RFQ is restricted to engineering, a separate RFP must be issued for program delivery and administrative services.

## Program Environmental Clearance

Topic will be covered in Webinar 2; also GAM Chapter 2

### Cautions:

- CDBG must comply with NEPA
- Cannot obligate any project funds, including non-CDBG funds until the Environmental Review Record (ERR) is completed AND the OCR has issued written approval for release of funds
- Choice limiting actions not permitted; only planning and “exempt” activities
- Undertaking choice limiting actions may result in the loss of CDBG funds



One of the next critical steps is completion of the environmental review and clearance process required by both Federal and State statutes and regulations. This topic will be covered in Webinar 2. It is also described in detail in Manual Chapter 2

For now, please be aware of the follow:

- First, recipients **cannot** obligate or expend any funds – federal or local – for the activity until clearance is achieved.
- Second, neither the recipient nor any of its participants (such as subrecipients or developers) can take “choice limiting” actions until clearance is achieved.
  - Choice limiting actions include acquisition, demolition, construction/rehabilitation and other actions that would limit the choices of the recipient.
  - If a municipality issues a Notice of Award of Bid prior to receiving OCR written approval of release of funds will jeopardize the NYS CDBG award.
  - Only “planning or other exempt activities as permitted by 24 CFR 58.34” may be undertaken prior to clearance.
  - Make sure your partners do not take any action that could taint the project and render it ineligible for federal funding.

## Program Environmental Clearance

Please note:

In order to fully comply with NEPA, the ERR must include not only NYS CDBG funds, but ALL project funds

Failure to fully comply with NEPA will jeopardize the NYS CDBG award

**A notice of award of bid or the incursion of any non-exempt project costs prior to OCR written approval of release of funds will jeopardize grant funds**



One of the next critical steps is completion of the environmental review and clearance process required by both Federal and State statutes and regulations. This topic will be covered in Webinar 2. It is also described in detail in Manual Chapter 2

For now, please be aware of the follow:

- First, recipients **cannot** obligate or expend any funds – federal or local – for the activity until clearance is achieved.
- Second, neither the recipient nor any of its participants (such as subrecipients or developers) can take “choice limiting” actions until clearance is achieved.
  - Choice limiting actions include acquisition, demolition, construction/rehabilitation and other actions that would limit the choices of the recipient.
  - If a municipality issues a Notice of Award of Bid prior to receiving OCR written approval of release of funds will jeopardize the NYS CDBG award.
  - Only “planning or other exempt activities as permitted by 24 CFR 58.34 may be undertaken prior to clearance.
  - Make sure your partners do not take any action that could taint the project and render it ineligible for federal funding.

## Upcoming Webinars

### Webinar series:

2. Environmental Review – January 22, 2020
3. Financial Management – January 29, 2020
4. Program Administration – February 5, 2020
5. LBP for Housing Activities – February 12, 2020



Please note that the remainder of the CDBG Orientation Webinar Series is currently scheduled as follows:

2. Environmental Review – January 22, 2020
3. Program Administration – January 29, 2020
4. Financial Management – February 5, 2020
5. LBP for Housing Activities – February 12, 2020