



**Homes and
Community Renewal**

CDBG Orientation Webinar Series

4. Program Administration

December 20, 2022

The Orientation Webinar Series

1. Getting Started – November 29th, 2022(Completed)
2. Environmental Review – December 6th, 2022 (Completed)
3. Financial Management – December 13th, 2022 (Completed)
4. Program Administration – Today
5. Lead Based Paint Compliance – January 4th, 2023

Grant Agreement Reminder

- Must execute within 45 days of OCR issuing grant agreement
- Must be signed by the Chief Elected Official (CEO)
- Any Applicable Schedule A Condition(s) must be met to the satisfaction of the OCR

For projects awarded through the 2022 Funding Round:

Grant Agreements were sent electronically on November 22, 2022, and are due back by

Thursday, January 12, 2023

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

Today's Topics

- Administrative Requirements
- Qualifying Activities
- Selecting Beneficiaries
- Procurement & Contracting
- Other Federal Requirements
- Section 3 Requirements and Reporting
- Recordkeeping & Reporting
- Monitoring



Administrative Requirements

Regulations on Grant Administration

General Housekeeping Note

All Request for Funds forms must be submitted to DISBURSEMENTS@hcr.ny.gov. Please do not copy your assigned Community or Economic Developer when submitting requests.

All Request for Funds Forms have been updated, outdated versions will not be accepted, all forms are available on the CDBG website.

Please contact your Community or Economic Developer with any questions.

Regulations on Grant Administration

2 CFR Part 200 Administrative Requirements

- Subpart D
 - Financial Management, Property Standards, Procurement, Reporting and Monitoring, Records (replaces 24 CFR Part 85)
- Subpart E
 - Cost Principles (replaces A-87 & A-122)
- Subpart F
 - Audit (replaces A-133)

24 CFR 570.489

Grant Administration Manual

TOP ^ **Community Development Block Grant**

SECTIONS

- Overview
- Forms and Documents**
- Program Guidelines
- Grant Administration Manual
- Funding Round Materials
- Resources

Forms and Documents

Grant Agreement Forms

Search:

Fillable Forms:	Instructions:
Authorized Signature Form For Request For Funds	1-1 Instructions for Authorized Signature Form
ACH/Direct Deposit Authorization of NYS CDBG Funds	1-2 Instructions for Designation of Depository Form
7-2 Program Schedule Form	7-2 Instructions for Program Schedule
8-1 Project Team	8-1 Project Team Instructions

Previous Next

Schedule A Condition Forms

Search:

Fillable Forms:
Public Infrastructure Activity Detail Form
Public Facilities Activity Detail Form
Project Financing Form
Program Income Form
Form 3B Housing Rehabilitation Activity Detail Form
Form 4B Homeownership Activity Detail Form
Program Information Form
Applicant Disclosure Form

[Community Development Block Grant | Homes and Community Renewal \(ny.gov\)](#)

Recipient Responsibilities

Recipients are directly responsible for the grant funds and compliance

- If Recipient uses subrecipient or consultant, properly select and enter a contract for services
- Recipient must oversee progress and compliance; must remain responsible for draws/disbursements

A written administrative plan is required.

Program manual is highly recommended.

Agreements with Program Partners

Intergovernmental Agreement

- Intergovernmental Agreements must be submitted to OCR
- Do not confuse with Subrecipient

Subrecipients

- Can be designated without procurement
- Subrecipient Agreement must be submitted to OCR

Consultants/Engineers

- Subject to procurement requirements
- Must have written agreements in place

Public Participation

CDBG rules require transparency and public participation

- 1st public hearing conducted during application
- 2nd Public Hearing must occur during grant administration process
 - Notice must be provided in newspaper
 - Template for second hearing available

<https://hcr.ny.gov/first-public-hearing-template>

<https://hcr.ny.gov/first-public-hearing-template-instructions>

CDBG Public Hearing Requirements

The Federal Housing and Community Development Act “encourages citizen participation, with particular emphasis on participation by persons of LMI,” both in the preparation of CDBG applications and throughout the implementation of local CDBG projects.

- Public hearings should be held at a time and place convenient to the general public, with accommodations for persons with disabilities
- Two (2) public hearings are required:
 - First hearing must happen between proposal and application (see [template](#))
 - Notice should identify the amount of CDBG funding requested, the program year, and the proposed activities
 - For those awarded, second hearing must be complete before submission of the request for closeout
- Current guidance allows for virtual hearings
- Must be conducted before a quorum of the legislative body (must be the municipality’s official legislative body, not a division of local government)
- Municipality must provide a minimum seven (7) day period between the publication of the hearing notice and the hearing itself. Note that the date of publication is day “zero”. See below.



- Hearing notice must be conspicuously posted in one or more public locations at least seventy-two (72) hours prior to the actual hearing. This can be a physical posting (e.g. Town hall bulletin board) or on a website. Evidence of posting must be attached to the application.
 - *Acceptable evidence of posting:* Website screenshot or digital photo with date, written attestation, or other clear evidence documenting the above.
- A copy of the application must be available for public inspection at the municipal office(s).
- Municipalities are strongly encouraged to accept comments from the public at least 48 hours after the date of the hearing.
- The public hearing must also disclose the following information to citizens, which includes, but is not limited to:
 - The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and anticipated Program Income)
 - A listing of the activities to be undertaken with CDBG funds
 - The estimated amount of CDBG funds proposed for activities that benefit LMI National Objective
 - The proposed CDBG activities likely to result in displacement and the municipality’s anti-displacement and relocation plan required under [24 CFR 570.488](#)
- Recent legislation requires documents that are going to be discussed at open meetings to be made available on request and to be posted on the government’s website at least 24 hours prior to the meeting, giving the public access to these important documents in advance.

Ready to Submit an Application?

- The following list **MUST** be submitted with all applications to serve as documentation that the Citizen Participation requirements have been fully met:



Affidavit of Publication as provided by the newspaper



A full, clearly legible copy of the legal notice as published

<https://hcr.ny.gov/cdbg-public-hearing-requirements>



Homes and Community Renewal

Public Participation

Other transparency requirements

- [Environmental review publication](#)
- [Marketing and outreach](#)
- [Public reports \(APR\)](#)



Qualifying All CDBG Activities

Every activity must be an eligible activity as defined in the rule

Every CDBG must be an eligible activity and meet one of three National Objectives:

- Benefit low- and moderate-income persons/families (LMI)
- Aid in the prevention or elimination of slums or blight **OR**
- Meet an urgent community development need

[Eligibility must be documented for each project or activity.](#)

Selecting & Documenting Beneficiaries

Marketing & outreach – affirmatively furthering fair housing

Income eligibility – low- and moderate-income limits & income documentation

- CPD Income Calculator: <https://www.hudexchange.info/incomecalculator/>

[Conflict of interest](#) – later in webinar

Procurement

Procurement Regulations

OCR has adopted federal procurement standards (formerly 85.36, now 2 CFR 200.317 – .326)

Recipient written procurement standards/procedures including:

- Procurement review
- Solicitation procedures to ensure free & open competition
- Selection procedures that ensure responsible contractors & cost/price analysis, including debarred contractors
- Standards of conduct for staff/officials
- Contract administration & dispute process
- Procurement & contracting records
- Must address EEO and Section 3

Methods of Procurement

Permitted methods under different circumstances (2 CFR 200.320) – unless local standards are stricter

- Micro-purchases (under \$3,000)
- Small purchase procedures (under \$100,000) – not for professional services
- Sealed bid – used for most construction
- Competitive proposals – used for most professional services
- Non-competitive proposals/single source

Contract Requirements

References:

- 2 CFR Part 200, Appendix II

Key requirements:

- Bonding – all construction contracts over \$100,000 must include provisions for bid, performance and payment bonds
- Minority and Women’s Business Enterprises (M/WBE) – contact ESDC at <http://www.esd.ny.gov/MWBE.html>
- Section 3 Rider included in its entirety
- Refer to [GAM Chapter 4](#)

Other Federal Requirements

Labor Standards

Davis-Bacon - applicable to any construction projects over \$2,000 and housing rehabilitation contracts over 8 units.

8 Step Process

1. Determine applicability
2. Designate Labor Standards Compliance Officer
3. Request state & federal wage determination
4. Include wage rates in bid documents/contracts
5. Maintain evidence of procurement & contract compliance
6. Cover requirements at preconstruction conference
7. Monitor contractor performance (onsite inspections, weekly payroll reports, interview employees)
8. Investigate violations

Conflict of Interest

Two regulatory provisions

- Procurement – 2 CFR 200.318(c)(1)
 - No participation in selection, award, administration of contract if financial or other interest
- Assistance – 570.489(h)
 - Presumption of conflict; request exception from HUD
- Covered persons –
 - Employee, agent, officer of state/recipient/subrecipient
 - Immediate family member or partner
 - Any organization employing/about to employ
- Follow guidance in [GAM](#) for submission requirements

Project Sign

Project sign required at all construction sites

Sign costs are an eligible expense (construction or an administrative expense)

- Sign Specifications are available [here](#)
- Keep picture of the project sign in the project file

Acquisition & Relocation

Recipients must comply with URA and Section 104(d) of HCDA 1974

Anti-Displacement and Relocation Assistance Plan

- Required for any project that has the potential to cause displacement, relocation or replacement (i.e. HR projects).
- See HUD Handbook 1378
(http://portal.hud.gov/hudportal/HUD?src=/program_offices/administrati on/hudclips/handbooks/cpd/13780)
- See GAM for further guidance on property acquisition and management

Other General Requirements in Chapter 7

- Lead-based paint
 - To be covered in Webinar 5 of this series (January 4th)
- [Civil rights](#)
 - Affirmatively Furthering Fair Housing
 - Accessibility
 - EEO
 - Section 3
 - Minority and Women's Business Enterprises (M/WBE)
- Property management & change of use



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Section 3 Requirements & Reporting

What is Section 3?

“It is the policy of the Congress and the purpose of this section to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing.”

**Race
and
Gender
Neutral**



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New Rule: Key Changes (7/1/21)

OLD RULE	NEW RULE
<p>New hires</p> <ul style="list-style-type: none">Ex: 30% of New Hires=S3 Residents, 10% of construction contracts to S3 Businesses	<p>Labor hours</p> <ul style="list-style-type: none">Ex: 25% of labor hours = S3 Workers (no contracting benchmarks)
<p>Contractor trigger amounts</p> <ul style="list-style-type: none">Ex: Contracts over \$100K→S3	<p>No subcontractor trigger amounts</p> <ul style="list-style-type: none">All contractors must report (except professional services)
<p>Recipient-based trigger thresholds</p> <ul style="list-style-type: none">Ex: Recipient received \$200K+ →S3	<p>Project-based trigger thresholds</p> <ul style="list-style-type: none">Project received \$200K+ → S3
<p>1 definition of S3 Resident</p>	<p>“Section 3 Worker” & “Targeted S3 Worker”</p>
<p>Grid-based reporting form</p>	<p>Online link for reporting form & other form updates</p>
<p>Greatest Extent Feasible Efforts</p>	<p>Greatest Extent Feasible Efforts</p>

Applicability Thresholds for NYSHCR-funded Projects

Key Points:

- Housing construction & rehabilitation, public works
- Greater than \$200,000 of total HUD Housing & Community Development assistance (e.g. HOME, CDBG, Federal HTF, etc.)
- Determined at project level – is more than \$200K in HUD funds used at the project site?

*All projects with a start date of 7/1/2021 must report under the new rule.

Participation Plans

- Required before grant agreement (CDBG) or construction closing
- Must be completed by the recipient of the HUD funds (e.g. Owner or Municipality) AND the General Contractor performing the work
- Main Components
 - Section 3 Coordinator
 - List of Mandatory Minimum Required Efforts
 - Where to list job postings
 - What to include on signs
 - What forms to use in hiring and contracting processes
 - Narrative space for Project to describe anticipated hiring and contracting process to meet Section 3 goals
 - Section 3 certification
 - <https://hcr.ny.gov/S3ParticipationPlan>



Reporting Requirements

- Twice a year
 - Due August 1 (report through June 30) and with APR on approx. Jan. 23 (report through December 31)
 - Reporting is cumulative from beginning of Project
- Awardee's Section 3 Coordinator:
 - Collects [Sub-reporting forms](#) from contractors and subcontractors including:
 - Hiring Forms & Section 3 Business Certifications
 - Documentation of Greatest Extent Feasible (GEF) Efforts
- Consolidates all sub-reporting forms and supporting documentation
- Completes consolidated Section 3 form through [Consolidated Reporting link](#)
- Submits Consolidated Section 3 electronic reporting form AND all GEF documentation to HCR (Use of dropbox link OK)
- HCR reports to HUD (through IDIS system)



$\frac{\# \text{ Section 3 Worker Labor Hours}}{\# \text{ Total Labor Hours}}$	=25%
AND	
$\frac{\# \text{ Targeted Section 3 Worker Labor Hours}}{\# \text{ Total Labor Hours}}$	=5 %

Failure to meet Safe Harbors results in reporting & documentation requirements on Greatest Extent Feasible Efforts

Defining Total Labor Hours

“Hours worked by all workers employed on a Section 3 Project”

Includes hours worked by employees and contractors of, for example:

- Recipients and Subrecipients
- Owner
- Contractors and Subcontractors

Does not include:

- Material Supply Contracts & Vendors
- Professional Services Hours

Calculate using payroll tracking systems (used for Davis Bacon) or, if not available, good faith efforts.

Defining a Section 3 Worker

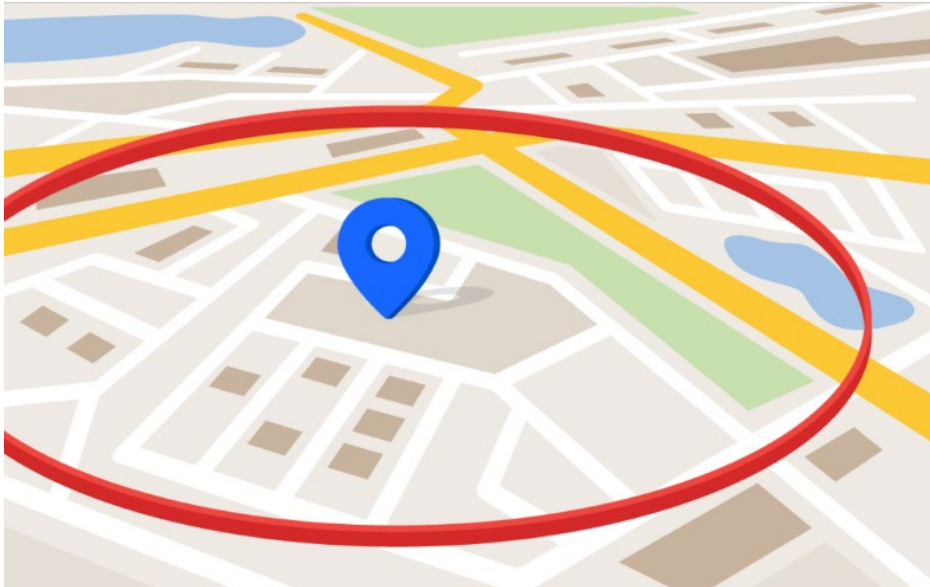
A Section 3 Worker is any worker who **currently fits, or when hired fits, as documented within the past 5 years**, at least one of the following categories:

- ✓ Low- or very low-income persons (as defined by HUD's income limits);
OR
- ✓ Employed by a Section 3 Business; OR
- ✓ DOL YouthBuild participant

Defining a Targeted Section 3 Worker

Targeted Section 3 Workers are Section 3 Workers who:

- Are employed by a Section 3 Business; OR
- Currently fits or when hired fit one of these categories, **as documented within the last 5 years:**
 - DOL YouthBuild participant; OR
 - Lives in the neighborhood or service areas of the project:



- This means the area within one mile of the Section 3 project site (or, if fewer than 5,000 people live within one mile of a Section 3 project, an expanded radius of circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census).

Defining a Section 3 Business

A business that meets at least one of the following criteria, documented within the last **6-month period**:

- ✓ At least 51% owned and controlled by low- or very low-income persons;
- ✓ Over 75% of the labor hours performed for the business over the prior 3-month period are performed by Section 3 Workers; or
- ✓ A business at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

TIP/REQUIREMENT: Have contractors register as a S3 Business on HUD's website AND get a signed S3 Business Self-Certification when entering into contract with the Business.

Document	Summary	Required for Use by:	Link
Contract Clause	Mandatory language for all S3 projects	Awardee, GC, all Subs	https://hcr.ny.gov/S3ContractClause
Participation Plan	Outlines mandatory minimum efforts and sets forth Project's plan to meet S3 objectives. Must be completed before funding contract execution.	Awardee & GC, Suggested for all Subs	https://hcr.ny.gov/S3ParticipationPlan
Sub-Reporting Form & Greatest Extent Feasible Checklist	Form GC and Subs use to report S3 performance up to Awardee	GC and all Subs	https://hcr.ny.gov/S3SubReportingForm
Consolidated Awardee Reporting Form	Form Awardee uses to report consolidated S3 performance to NYSCHR	Awardee (consolidating Sub Reporting Forms)	https://forms.office.com/g/XtC2LpxJ4w
Section 3 Business Self Certification	Forms businesses can use to self-certify that they meet the S3 definition for a S3 business within the 6 months prior to contract	Awardee must have on file for all S3 Businesses on Project	https://hcr.ny.gov/S3BusinessSelfCert
Hiring Form	Form to be used to determine which employees/applicants are Section 3 Workers % Targeted Section 3 Workers	Awardee, GC, all Subs	Translated Versions available https://hcr.ny.gov/section-3-compliance#forms---documents

Resources and Training

- Many trainings and other resources available at: <https://hcr.ny.gov/section-3-compliance>
- We offer 1 on 1 technical assistance on creating a successful Section 3 program.
- Training for project teams.

Contact

Fair and Equitable Housing Office

New York State Homes & Community Renewal

641 Lexington Avenue

New York, NY 10021

(347)213-1363

<https://hcr.ny.gov/section-3-compliance>

Contact:

Dinorah Santiago, Section 3 Coordinator

Dinorah.Santiago@hcr.ny.gov, Section3MWBE@hcr.ny.gov

Recordkeeping & Reporting

File Maintenance

Establish files per OCR GAM and labels on OCR website

- <https://hcr.ny.gov/community-development-block-grant>
- Grant Files (Program Files)
- Application
- Contract
- Program Administration
- Financial Management
- Project Files
- Regulatory Compliance files

File Maintenance

Establish files per OCR GAM and labels on OCR website

[L-1 Label Instructions](#)

[L-2 Program Administration Labels](#)

[L-3 Public Facility / Water and Sewer Labels](#)

[L-3 Public Facility / Water and Sewer Label Instructions](#)

[L-4 Homeownership Labels](#)

[L-4 Homeownership Label Instructions](#)

[L-5 Housing Rehabilitation Labels](#)

[L-5 Housing Rehabilitation Label Instructions](#)

[L-6 Micro Enterprise Labels](#)

[L-7 Economic Development Labels](#)

Program Administration Files

- Environmental Review Record
- Public participation (hearings)
- Administration Plan
- Procurements, contracts/agreements
- Other federal requirements
- Monitoring
- National Objective documentation

Project Files

Varies by type of activity; key categories of documentation:

- Applicant/project qualification & agreement
- Legal documents
- Project procurement & contracts
- Construction inspections & documentation
- Disbursements
- National objective documentation

Regulatory Compliance Files

May be for program or by individual project

- Procurement
- Citizen Participation
- Civil Rights
- Primary and National Objectives
- Environmental Review
- Labor Standards
- Lead Based Paint/Property Standards
- Anti-Displacement and Relocation
- Conflict of Interest
- Real Property Management
- Monitoring

Reporting Requirements

- Davis-Bacon (April and October)
- MWBE (annually) and Section 3 (quarterly)
- Annual Performance Report (APR)
- State Federal Assistance Expenditure Report (FAE) and
- Federal single audits requirements –next webinar

Annual Performance Report (APR)

[APR Housing Activities](#)

[APR Public Water-Public Sewer-Public Facilities Activities](#)

[APR Economic Development-Small Business Assistance and Microenterprise](#)

- Recipient Information
- Project Status Narrative
- Beneficiary Data & Performance Measurements (each activity)
- Program Income
- Final Performance Report documentation
- Certification

OCR submits all data to HUD through the Consolidated Annual Performance and Evaluation Report (CAPER)

Monitoring

OCR Monitoring of Recipients

OCR will monitor recipient performance to ensure compliance and timely expenditure

Monitoring activities:

- Review of reports
- At least one onsite or remote review of records, staff interviews, site inspections
- Technical assistance visits & abbreviated monitoring

Preparing for OCR Monitoring

- Complete and return OCR pre-monitoring checklist
- Organize the files as recommended in Manual
- Check the files for completeness
- Review the appropriate sections of the Manual
- Provide access to all applicable files and records
- Ensure that staff are available to address any questions
- Contact property owners in advance to schedule site visits on the day of the monitoring.

Monitoring Focus

- Program progress against schedule & budget
- Adequate documentation (file maintenance)
- Compliance with regulatory requirements
 - National Objectives
 - Environmental
 - Public participation
 - Procurement
 - Other federal requirements (e.g., labor, relocation)
 - Financial management – refer to prior webinar

Monitoring Responsibilities of Recipients

Recipients must monitor their subrecipients, consultants, contractors that assist with project administration

- Check their initial project file carefully
- Meet with them regularly
- Monitor their progress and requests for draws against the project schedule
- Check their files at regular intervals
- Document any monitoring that you do

Remember: You are responsible for their performance.

Question and Answer



After this Webinar

If you have any further questions following the conclusion of this webinar, submit your questions to ocrinfo@hcr.ny.gov or contact the Office of Community Renewal at 518-474-2057

Please visit the OCR website at [Community Development Block Grant | Homes and Community Renewal \(ny.gov\)](https://www.hcr.ny.gov/Community-Development-Block-Grant-Homes-and-Community-Renewal)

Upcoming Webinars

Next up in the Program Orientation Webinar Series:

Lead Based Paint Compliance – January 4th, 2023