NYS Community Development Block Grant (CDBG) 2023 Housing Program

Housing Trust Fund Corporation
Office of Community Renewal (OCR)

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Good morning, this is Charlie Philion, Program Director, with the NYS Office of Community Renewal, Community Development Block program, I am joined today by Madeline Schoeck, CDBG Community Developer.

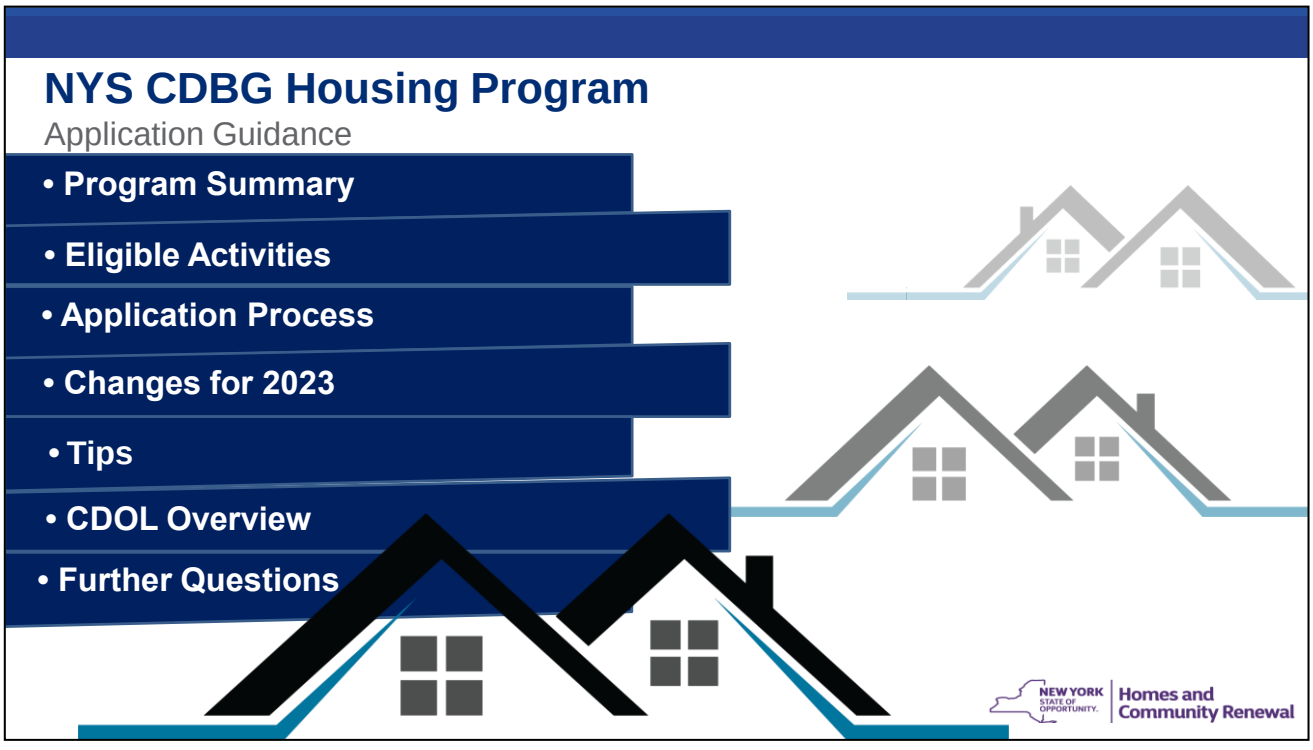
Today is Wednesday, June 7, 2023.

Today's webinar is structured to help communities navigate the 2023 housing round application process.

As we go through today's session, you can submit questions through the chat box. Please send any questions to all, as OCR staff we will be monitoring questions. If the question is submitted to a specific person, we may not be able to catch the question, and your question will NOT be answered during this session.

All questions will be addressed at the end of this presentation.

OK, let's get started.



Today's presentation will address the following 7 sections in order:

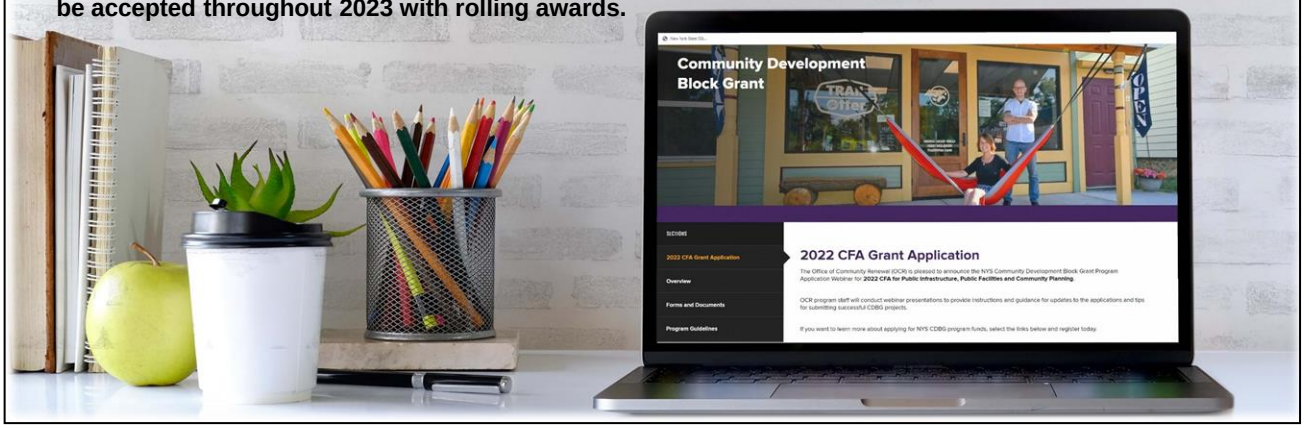
1. Program Summary
2. Eligible Activities
3. Application Process
4. Changes for 2023
5. Application Tips
6. CDOL Overview
7. Further Questions

First word of advice, don't sweat it.

NYS CDBG Program

CDBG Public Facility, Public Infrastructure and Community Planning Application materials are available now. Applications for **Public Infrastructure, Public Facility and Community Planning projects will be accepted until 4:00 pm on Friday July 28, 2023.**

CDBG Economic Development, Small Business & Microenterprise Application materials are available now. Applications for **Open Round Economic Development and Microenterprise applications will be accepted throughout 2023 with rolling awards.**

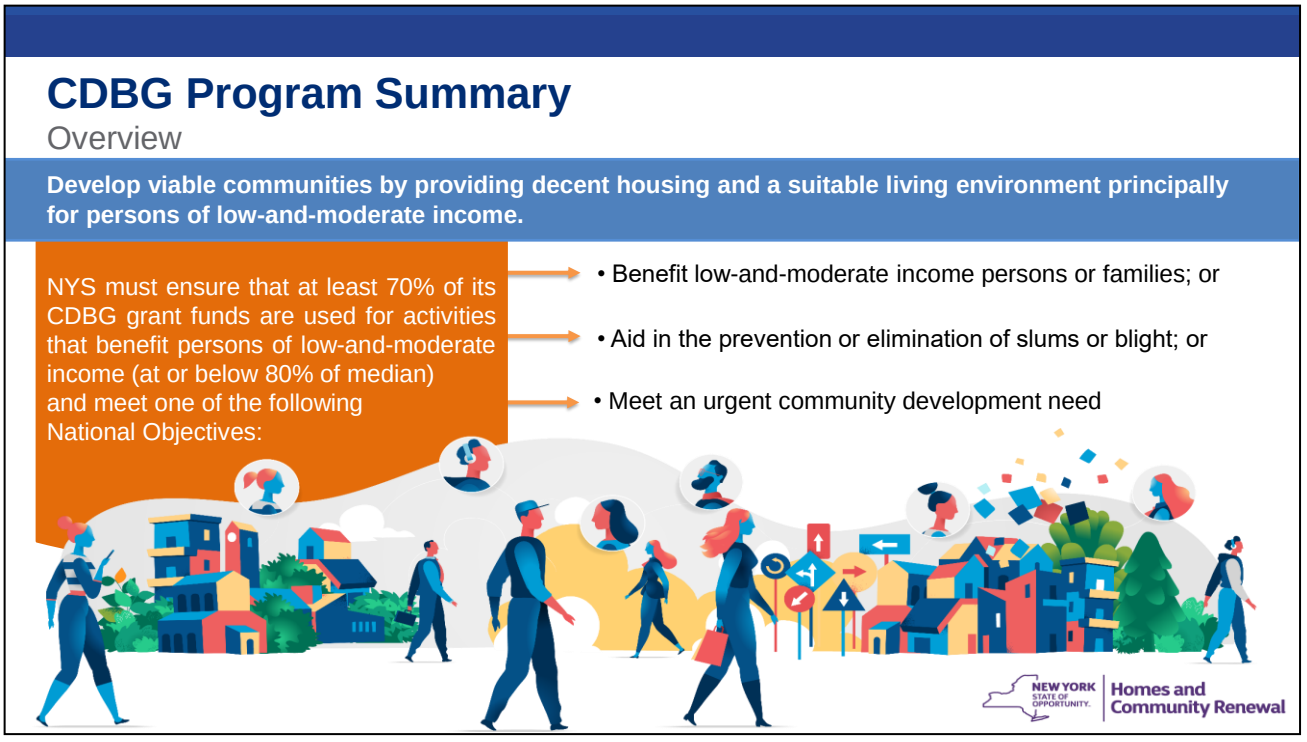


In addition to the current housing round, we want to take the opportunity to remind everyone that the Consolidated Funding Application round for public infrastructure, facilities and community planning is now open.

For economic development activities, these applications are open round throughout the year, applications are accepted on an on-going basis or until program year funds are exhausted.

Program Summary

Let’s start with discussing a summary of the CDBG housing program.



NYS receives CDBG funding with the intent of ensuring communities throughout the state are viable, by providing decent housing and suitable living environments for low- and moderate-income persons.

At least 70% of NYS CDBG funds are used for activities benefiting low- and moderate-income persons (meaning that they are at or below 80% of the area's median income) that meet one of the following national objectives:

Benefits low- and moderate-income persons, aids in the prevention or elimination of slums or blight, or meets an urgent community development need.

CDBG Program Summary

Overview

Annual Competitive Applications

- Housing Activities

- User defined area of need
- Two (2) year contract term
- Eligible Applicants: Units of Local Government with populations of less than 50,000 and counties with populations of less than 200,000
  - Refer to the list of eligible communities on the website, select Program Guidelines
  - Refer to the LMI data tool on the website

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.

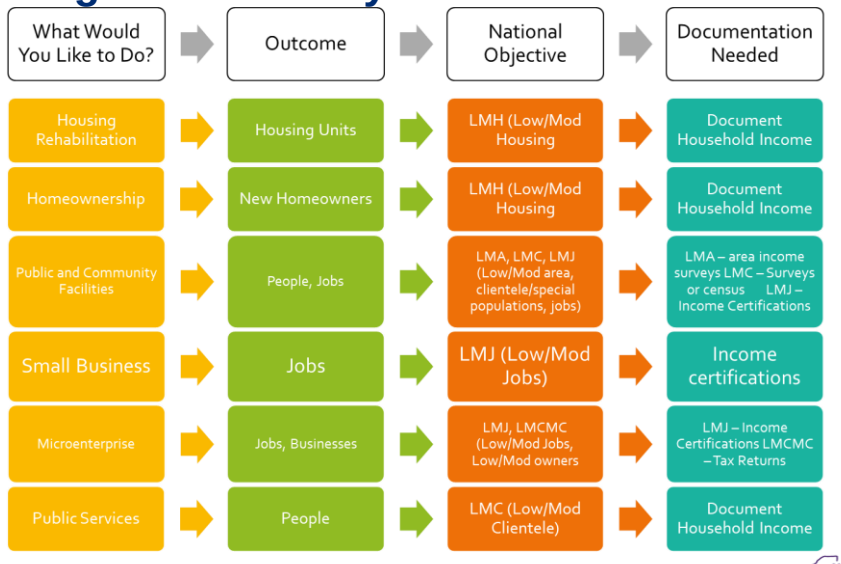
Incorporated Counties, Towns, Villages and Cities are eligible to apply which includes:

- 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 are ineligible to apply directly for NYS CDBG assistance.

Please note that the Grant Administration Manual is available on the OCR website for additional guidance.

CDBG Program Summary



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All activities within the CDBG program must meet an eligible national objective as defined by the Housing and Community Development Act of 1974 at Section105(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.

The OCR CDBG program provides two definitions for income; this is provided within the request for application which is currently available on the website through the funding opportunities link or in Chapter 7 of the Grant Administration Manual.

When developing the eligibility criteria for a housing program, the definition of income that fits the needs of the program should be defined. 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 multi-unit buildings with 2 units, 1 of the 2 units must be LMI
For multi-unit buildings with 3 units, 2 of the 3 units must be LMI

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

CDBG Program Summary

Maximum Funding Limits

All Housing Rehabilitation, and Well, Septic and Lateral Connection

- ❑ Towns, Cities or Villages: $ 500,000
- ❑ Counties: $ 1,000,000

Manufactured Housing Replacement

- ❑ Towns, Cities or Villages: $ 750,000
- ❑ Counties: $ 1,250,000

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These are current funding limits for 2023 housing projects.

Towns, Cities and Villages can request up to $500,000 in CDBG housing assistance for Single Family Housing Rehabilitation, Multi-Family Housing Rehabilitation, and Standalone Water & Wastewater Systems/Laterals activities, and $750,000 for Manufactured Housing Replacement activities.

Counties can request up to $1,000,000 in housing assistance for Single Family Housing Rehabilitation, Multi-Family Housing Rehabilitation, and Standalone Water & Wastewater Systems/Laterals activities, and $1,250,000 for Manufacture Housing Replacement activities.

The total funds available for Program Year 2023 is up to $15,000,000.

A municipality should only submit one application, for all proposed activities, provided the total amount across all applications requested does not exceed the funding cap.

CDBG Program Summary

Overview

For all housing activities

- 18% maximum of the CDBG requested funds for Administration, Program Delivery, Engineering and Architecture.
- Of the 18%, no more than 5% can be allocated to Administration.

Refer to Chapter 3, Financial Management of the OCR GAM for further guidance

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Project budgets can include soft costs for program delivery and administration.

Program delivery is always considered to be the cost of getting the money on the streets.

This can include marketing, outreach, application intake, eligibility verification, work write ups, bidding and inspections.

Administration can include actions such as the cost of completing the environmental review, financial management and reporting.

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 mentioned 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

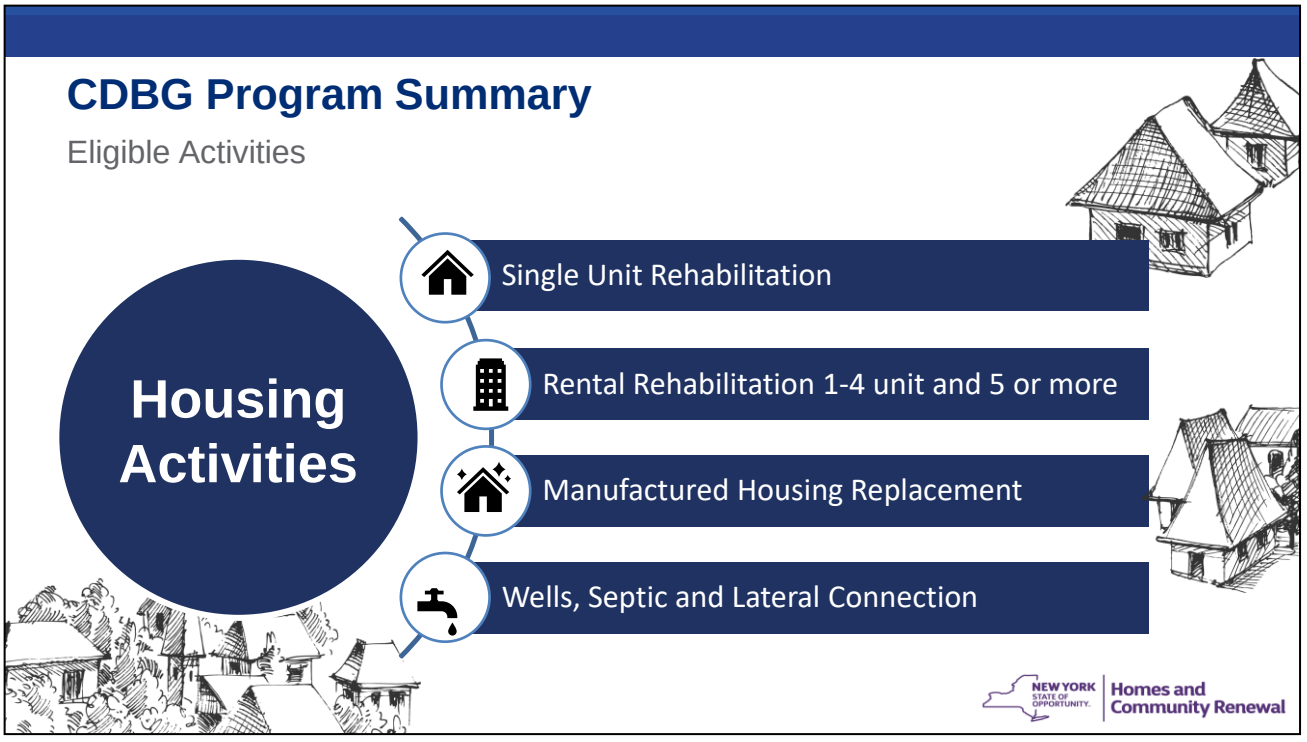
The application must ensure that the maximum amount of CDBG funds is ultimately made available for program activities.

Refer to Chapter 3 of the OCR GAM for additional guidance or contact OCR.

Eligible Activities

We will now begin to discuss eligible housing activities.

Please note this is not an exhaustive list. Please contact the OCR CDBG team for project specific questions.



When completing your application in CDOL, you must identify through the budget breakdown the specific housing activity or activities that are being proposed to be undertaken. Within a single application, multiple activities can be identified to be undertaken. Please note, single unit and multi unit housing rehabilitation are separate activities.

Single Unit Housing Rehabilitation:

Single unit is defined as one housing unit in the structure.

Some potential projects for **single unit rehab** could include but are not limited to:

- Minor scattered site housing rehabilitation – When a unit of local government requests CDBG funding to complete minor level repairs. This might include environmental remediation and health & safety improvements identified locally as priorities i.e., replacing polluting heat sources, supplementing weatherization resources, lead paint remediation/abatement, handicapped accessibility, and utility hookups.
- Moderate/Substantial scattered site housing rehabilitation – When a unit government requests CDBG funding to provide comprehensive rehabilitation for low-income homeowners. This may include rehabilitating all items that do not meet code or it may involve what is sometimes called “whole house rehabilitation,” meaning undertaking substantial repairs throughout the home in order to bring it up to code and to improve the overall livability and functionality of the unit.
- Reconstruction of existing housing - When a unit of local government requests CDBG funding to provide comprehensive reconstruction for

low-income homeowners. This includes demolition of an existed owner-occupied residential unit when the cost of rehabilitation is prohibitive or is more than the cost to replace.

- Vacant housing –When a unit of local government requests funds to rehabilitate dilapidated or severely substandard property owned by Land bank or other not-for-profit developer for sale to eligible homebuyer.

Multi Unit Housing Rehabilitation:

The first multi-unit activity is defined as two to four 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 five or more units in a single structure. Each multi-unit structure with five or more units must be identified by address and is treated as its own activity.

Some potential projects could include:

- Scattered site housing rehabilitation – When a unit of local government requests CDBG funding to provide comprehensive rehabilitation for multi-unit properties in which private owner has committed to renting to low- to moderate income tenants.
- Public Housing Rehabilitation -

When a unit of local government requests funds to rehabilitate public housing units. Projects may be one or more buildings on a single site, or multiple sites that are under common ownership, management, and financing.

- Conversion of non-residential structures - When a unit of local government requests funds to rehabilitate and cover a non-residential structure into residential housing.

Housing rehabilitation shall address substandard conditions that currently exist, such as electrical upgrades, energy efficiency improvements, and structural repairs. Installation or replacement of landscaping materials, sidewalks, and driveways can be included when the cost of these items are incidental to the rehabilitation of the property.

For multifamily properities as part of a substantial rehabilitation (defined at 24 CFR 5.100) the costs associated with wiring broadband internet service can be

treated as a rehabilitation cost.

Manufactured Housing Replacement:

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

Replacement within a park is not eligible for CDBG funds, and replacement cannot occur within a floodplain or floodway.

Manufactured homes can be replaced with a new manufactured home, modular, or stick built home.

Wells, Septic and Lateral Connections:

The CDBG program can help assure safe drinking water and wastewater systems, thorough activities such as drilling of private wells, construction or rehabilitation of septic systems, and installation of lateral connections to low- and moderate-income households from the public water/sewer mains. Applications for funding of lateral connections can be stand-alone projects or can be part of a larger public infrastructure project.

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.

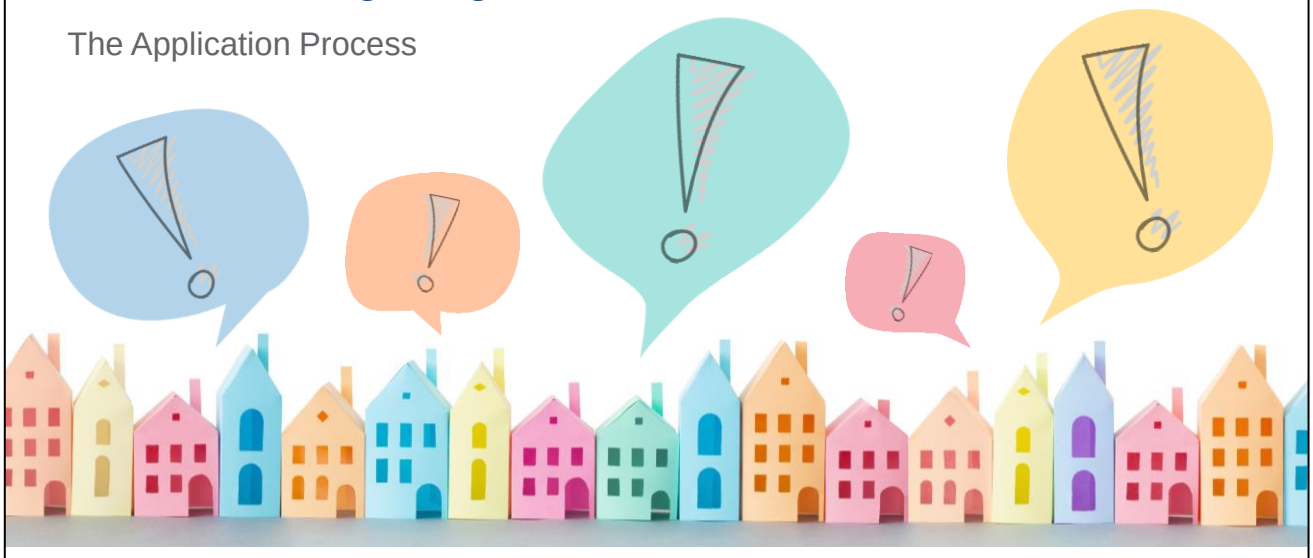
Application for wells and septic only should also address how any other housing rehabilitation needs may be addressed through other sources.

Please note that although Homebuyer Down Payment Assistance is still an eligible activity under the CDBG program the OCR is not offering funding for this activity for the 2023 housing round. If you are interested in a homebuyer program, you may obtain information for available resources at hcr.ny.gov/funding-opportunities.

Application Process

CDBG Housing Program

The Application Process



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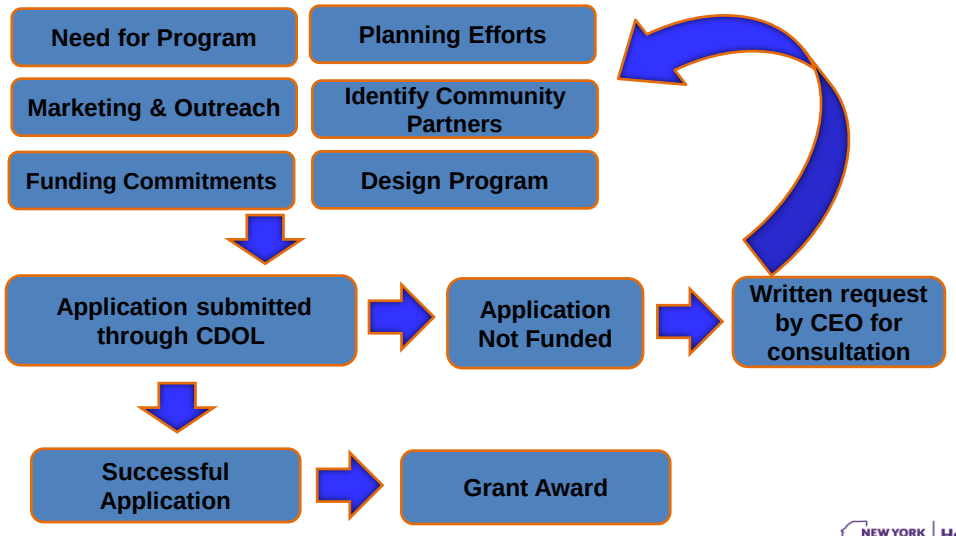
We will now begin to discuss the CDBG application.

Are YOU Prepared to Apply for a CDBG Grant?



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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. 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:

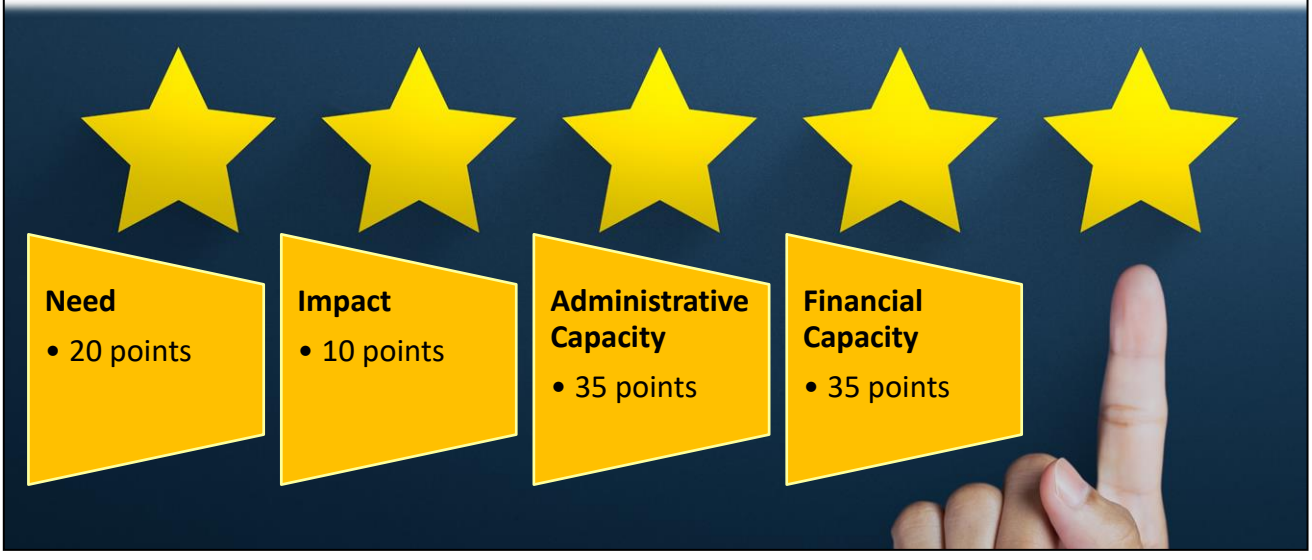
- Are there any other committed and available funding sources to use towards the project?
- Are there written commitments for these other funding sources?
- Is there a target area that would benefit most from this project, or would it be community wide?
- Does the municipality have the capacity to undertake 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 successfully awarded, the OCR will offer one-on-one application de-briefs. These de-briefs offer guidance on how to address deficiencies that prevented the application from being funded.

The municipality needs to review the steps indicated above and then make the determination if they are prepared to submit a successful application to the OCR.

Application Process

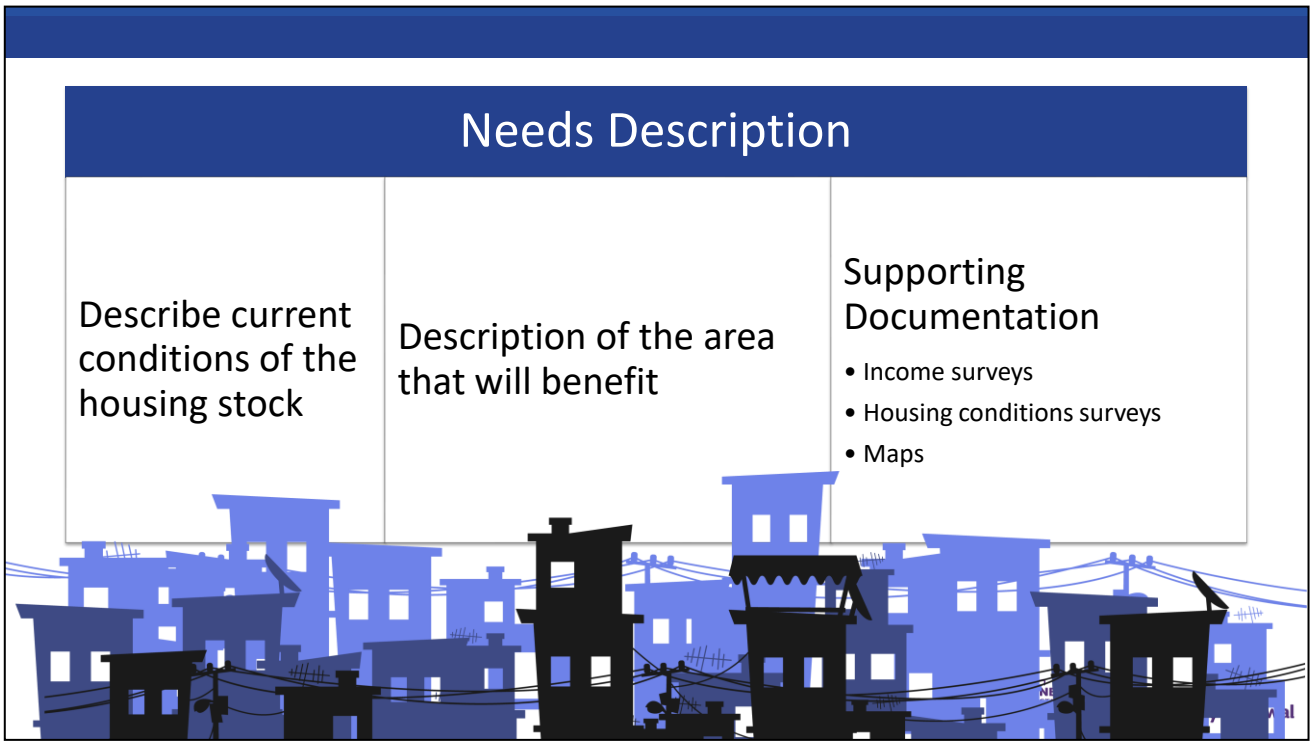
Components and Points



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

This criteria is used to determine:

1. The overall need of the area
2. The impact the project will make in the area and for the beneficiaries
3. To demonstrate understanding and compliance with project requirements, in addition to the ability to administer the project in a timely manner
4. Project costs are reasonable, and the project is financially feasible



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.

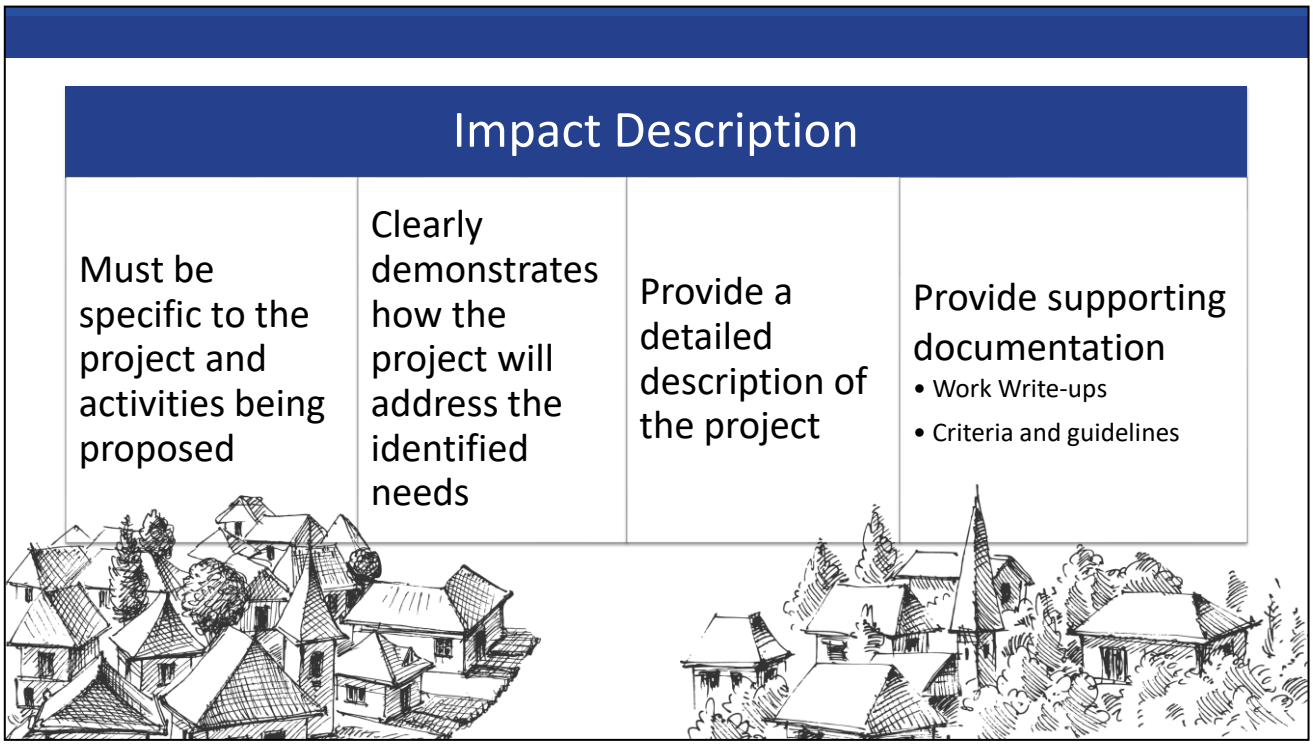
What is the general condition of the housing stock?
How are these conditions being documented? This must be clearly explained.
How and when was the wait list established? From prior years? Has there been any recent outreach?
How does the application demonstrate past efforts to resolve the need for housing 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 and housing affordability.

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.



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?

Detailed project description

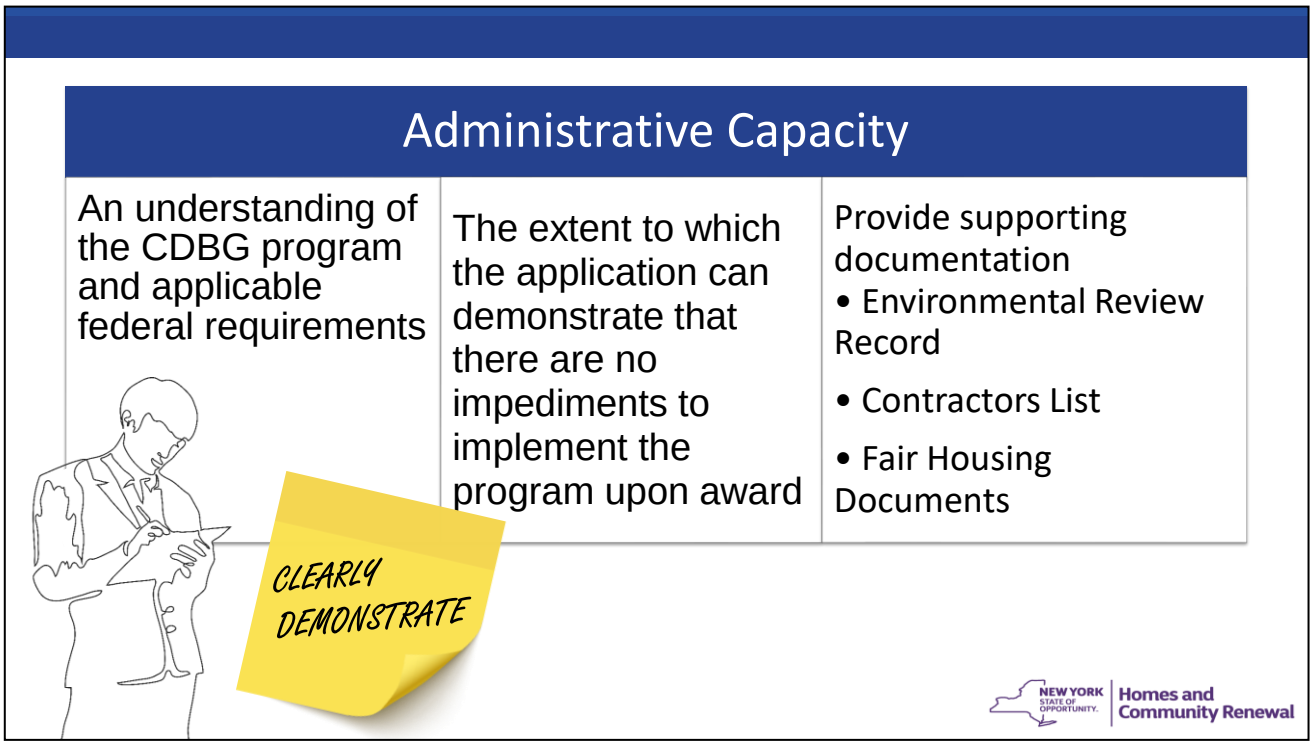
The application needs to provide a complete picture of the project, explain how and why the proposed project will address the needs of the area. For instance, will the applicant be giving higher priorities to homes with serious deficiencies to primary and mechanical components?

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



The next criteria 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
- Fair Housing
- Davis-Bacon labor standards, if applicable

Supporting documentation

Supporting documentation should include, but is not limited to:

- A completed Environmental Review Record, including but not limited to the designation of a Certifying Officer, NEPA, & SEQR
- A sufficient pool of interested and eligible participants
- Demonstration of a sufficient pool of qualified contractors. Qualified contractors must be EPA Certified Contractors for the purpose of lead-based paint compliance.

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. Including the ability to achieve substantial progress within 6 months from award including execution of:

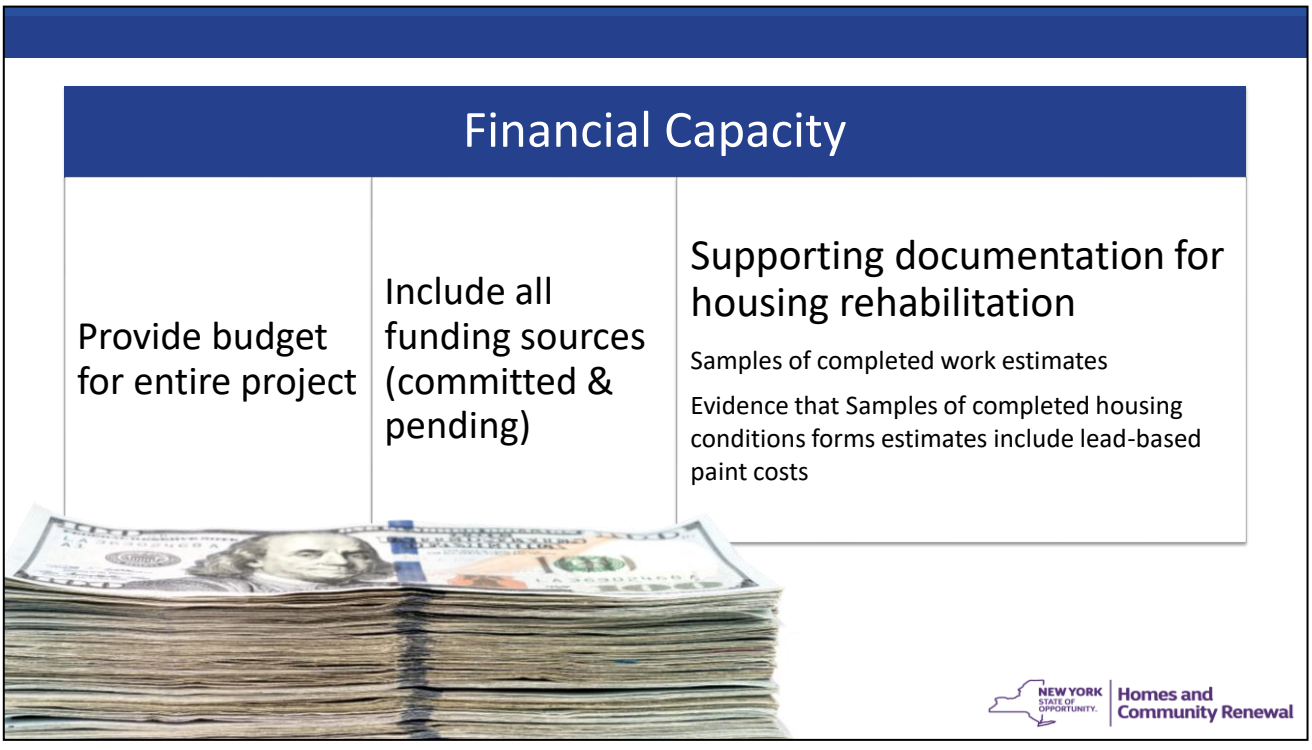
- Grant Agreement within 45 days
- Submit a Request for Release of funds within 60 days
- First disbursement for construction in 180 days

Please note that this will all be a Schedule A Condition of all executed Grant Agreements. Grantees should identify any procedures that are in place to ensure timely implementation of the program.

Applicants should also, identify all 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.

Impediments

- Is the municipality ready to administer a CDBG housing grant upon award?



Finally, the 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 1A must include the total of all funds.

Provide details related to the use of budgeted CDBG administrative funds, including estimates related to staff time.

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 state funds are committed and will be available upon award.

Supporting documentation for rehabilitation

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.

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.

Changes for 2023

Let review the changes that have been made for 2023.

Changes for Program Year 2023

Period of Affordability

Owner Occupied Housing Rehabilitation and Standalone Residential Water & Wastewater Activities/Laterals

- Owner Occupied Single-Family, and Multi-Family (1–4-unit) structures that are receiving rehabilitation and/or **Standalone Residential Water & Wastewater** replacement with NYS CDBG funds will be subject to a minimum period of affordability of not less than five (5) years.

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Owner-occupied single-family, and Owner-occupied Multi-Family housing with 2-4 units within the structures, that are receiving rehabilitation and/or **Standalone Residential Water & Wastewater** replacement with NYS CDBG will be subject to a minimum period of affordability of not less than five (5) years.

Changes for Program Year 2023

Period of Affordability

Non-Owner-Occupied Single Unit, Multi-Family 2-4 units and Multi-Family Housing Rehabilitation of 5+ units

- Repair or rehabilitation of any non-owner-occupied housing units are subject to a period of affordability, enforced through a regulatory agreement for affordability will apply. The Regulated Units shall remain affordable housing for at least the below-listed periods of affordability (POA) from the date of project completion:

Rental Rehabilitation Per Unit

- Less than $15,000 Investment: 5 years
- $15,000-$40,000 Investment: 10 years
- Greater than $40,000 Investment: 15 years

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Repair or rehabilitation of any non-owner-occupied housing units are subject to a period of affordability. In addition to the period of affordability, a regulatory agreement for affordability will apply. The Regulated Units shall remain affordable housing for at least the below-listed periods of affordability (POA) from the date of project completion:

Rental Rehabilitation Per Unit
Less than $15,000 Investment: 5 years
$15,000-$40,000 Investment: 10 years
Greater than $40,000 Investment: 15 years

Changes for Program Year 2023

Period of Affordability

Manufactured Housing Replacement

- Assisted manufactured housing replacement units with NYS CDBG will be subject to a period of affordability of not less than ten (10) years.

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Assisted manufactured housing replacement units with NYS CDBG will be subject to a period of affordability of not less than ten (10) years.

Application Tips

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.

  - We will be reviewing Public Hearing deficiencies and requirements more extensively on the next slide.

- 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 needs. Applications frequently include housing surveys that do not address the entire community or the housing surveys that are included are out of date (5+ years old).

- Failure to provide evidence of a sufficient market of eligible units proposed for rehabilitation. All CDBG Housing applications should provide a description of their waiting list of eligible, interested participants. A longer waiting list may result in a higher score.

- Failure to provide supporting documents that substantiate the application narrative. All CDBG housing applications should provide the required supporting documents. Failure to provide the required supporting documents will result in a loss of points.

CDBG Application Process

Common Deficiencies

- Public hearing is not held prior to application or was not held by the legislative body.
- Refer to the Public Hearing Requirements
- For guidance on holding a remote public hearing, contact the Committee on Open Government.
- Activity does not meet a National Objective.
- Applicant is not an eligible unit of local government.

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The single biggest deficiency is that the required public hearing is not held prior to the submission date of the application.

- Hearings must be advertised in a newspaper of general circulation at least 7 days before it is held, with the date of publication considered day zero.
- If the notice goes in the newspaper on a Friday, the first day of the 7-day period is Saturday.
- 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.
- The notices must be conspicuously posted at least 72 hours prior to the hearing.
- The public hearing agenda must also be available 24 hours prior to the hearing.

Refer to Chapter 8 of the OCR GAM for further guidance.

Applications that fail to hold the required public hearing, do not meet a National

Objective or are submitted by not-for-profits, businesses or individuals are deemed ineligible and will not be reviewed. Click on the link to Guide to National Objectives Compliance for further guidance.

Applicants are strongly encouraged to contact OCR with any questions prior to the deadline.

Getting Started with CDOL

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Getting Started with CDOL

What is Community Development Online?

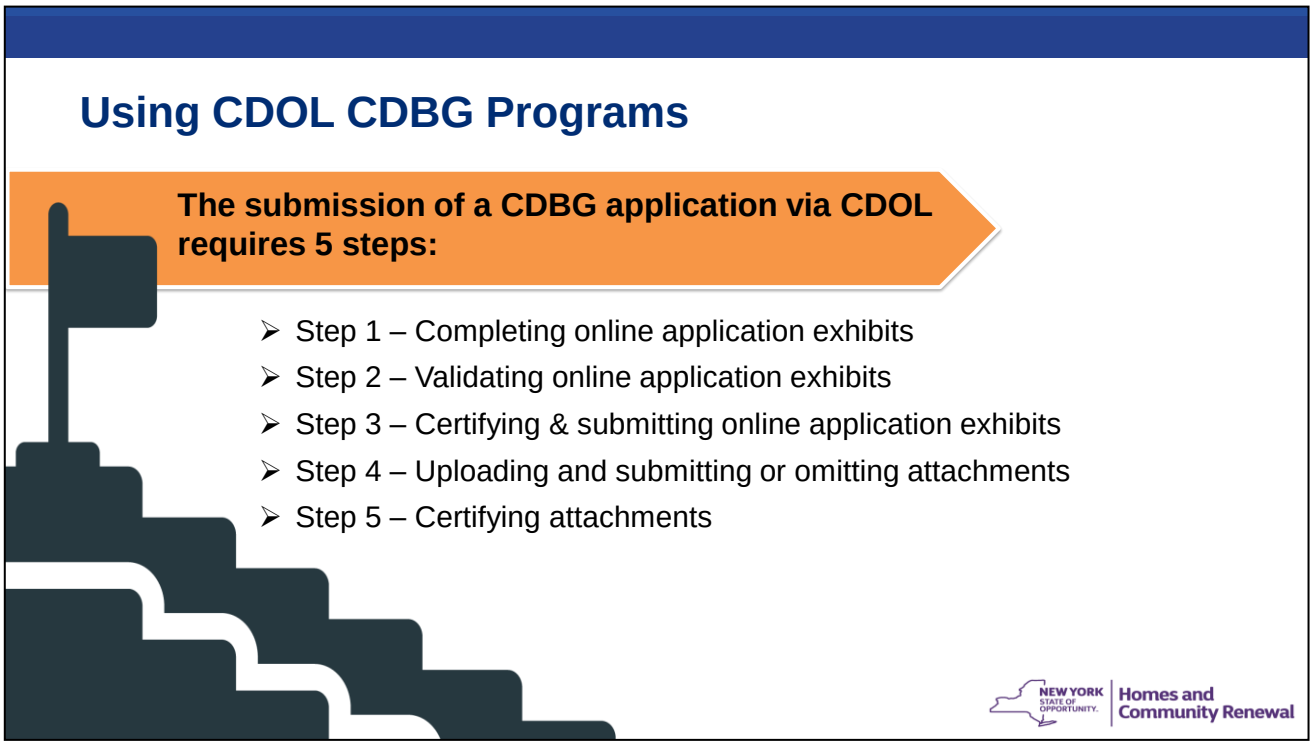
- Community Development Online (CDOL) is NYS Homes & Community Renewal's (HCR) online application system
- If your community has NOT previously applied for funding through CDOL: submit an Application Registration Form
- If your community is registered but needs to adjust users: submit a Security Manager Registration form
- CDBG Applicant must be unit of local government, therefore CDOL account must be unit of local government – not subrecipient or consultant.

Community Development Online (CDOL) is Homes and Community Renewal's (HCR) online application system for Local Program Administrator (LPA) applications.

- ❑ If your community has NOT previously applied for funding through CDOL: submit an Application Registration Form
- ❑ If your community is registered but needs to adjust users: submit a Security Manager Registration form

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.



Make sure the Municipality and the User are both registered in CDOL.

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

Step 1 – Completing online application exhibits.

Select “Submit” button when completing each section

Step 2 – Validating online application exhibits.

Step 3 – Certifying and submitting online application exhibits.

Step 4 – Uploading and submitting or omitting attachments.

Remember to omit non-required attachments if not using

Step 5 – Certifying attachments.

Please note before certifying attachments, the CDOL user must validate the online exhibits, and certify and submit the application exhibits first. Then, when certifying the attachments, you must upload all attachments or omit then go back to the main menu, then go back into your attachments for the submit/certifying button to activate.

Contents of CDOL Application

CDBG Program

A complete CDBG housing application includes 6 exhibits:

- Exhibit 1 – Program Summary
- Exhibit 2 – Needs Statement
- Exhibit 3 – Proposal and Activity Detail
- Exhibit 4 – Administration
- Exhibit 5 – Relevant Experience
- Exhibit 6 – Financial Capacity

CDBG Program CDOL will shut down on Monday, August 7, 2023, at 4:00pm.

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It is extremely important to remember that for the CDBG Program CDOL will shut down on **Monday, August 7, 2023, 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 12 attachments:

- Citizen Participation Documentation (Required)
- Applicant/Recipient Disclosure/Update Report (Required)
- Certification Form (Required)
- Vendor Responsibility Questionnaire (refer to RFA)
- Affirmatively Furthering Fair Housing Plan and Supporting Documentation (Required)
- Program Income Report (Required)
- Environmental Review Record (Required)
- Housing Conditions Survey/ Cost Estimates (Required)
- Funding Commitment Letters
- Section 3 Plan (refer to RFA)
- Contractors List
- Other Uploads

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A completed CDBG housing application will include up to 12 attachments as see on this slide.

Required Forms

All required forms are available on the Forms and Documents section of the website, scroll down to Application and Schedule A Condition Forms.

Use the most up to date and current versions on the website

Using the wrong form or outdated forms may result in the loss of points

Vendor Responsibility - Legal Requirements
State procurement laws require that state contracting entities award contracts only to responsible vendors. Additionally, the State Comptroller must be satisfied that the submitting business entity is responsible before approving a contract award under Section 112 of the State Finance Law.

Section 163 of the State Finance Law (SFL) requires that contracts for services and commodities be awarded on the basis of lowest price or best value "to a responsive and responsible offeror." Section 163 (9)(f) of the SFL requires that prior to making an award of a contract, each contracting entity shall make a determination of responsibility of the proposed contractor.

Section 8 of the Public Buildings Law provides that all contracts for amounts in excess of five thousand dollars for the work of construction, reconstruction, alteration, repair or improvement of any state building, whether constructed or to be constructed must be offered for public bidding and may be awarded to "the lowest responsible and reliable bidder," as will best promote the public interest, by the said department or other agency with the approval of the State Comptroller for the whole or any part of the work to be performed, and, in the discretion of the said department or other agency, such contracts may be sublet; provided, however, that no such contract shall be awarded to a bidder other than the lowest responsible and reliable bidder without the written approval of the State Comptroller.

As a result, once a state contracting entity, in accordance with the applicable procurement statute, has determined which business entity(ies) should be awarded a contract, the contracting entity must affirmatively determine that such business entity(ies) is responsible before it can award the contract to such business entity(ies) and execute any contract(s). Furthermore, the State Comptroller will not approve a contract unless he or she concurs that the business entity is responsible.

Required Forms

Environmental Review Record (ERR)

NEPA and SEQRA must be complete and submitted with the application	**This includes ALL consultations**	**Costs incurred for completing the ERR MAY be eligible for reimbursement, subject to verification of procurement**

The NYS CDBG requires all Environmental Review documents be submitted as part of the application these documents include but are not limited to:

- Designation of Certifying Officer
- completed NEPA
- completed SEQRA
- SHPO and THPO outreach
- All consultations are complete

The completed ERR demonstrates that a Release of Fund can be requested within 60 days of award if the applicant submits a successful application.

If the applicant is awarded, cost incurred for completing the Environmental Review MAY be eligible for CDBG reimbursement, once a release of fund is issued by the OCR. This reimbursement is subject to verification of proper

procurement practices.

Further Guidance

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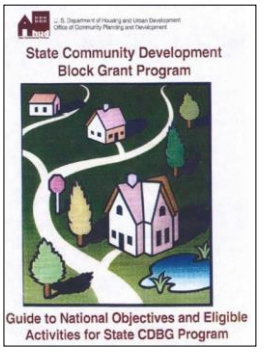
CDBG Application Process

Additional Program Guidance



- NYS CDBG Program
- NYS CDBG Economic Development Program
- Guide to National Objectives and Eligible Activities for State CDBG Programs
- "Basically CDBG" Course Training Manual
- HUD Income Limits

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Please submit questions regarding any of this guidance to ocrinfo@hcr.ny.gov

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
  - Obtain Approval from OCR for Release of Funds within 60 days of award
  - All funded projects must be under construction within 180 days of award

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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, administrative and financial capacity.

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

However, the cost to prepare the ERR for the application may be eligible for reimbursement if compliance with federal procurement can be documented.

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

Please read the RFA carefully, the OCR reserves the right to rescind any project that does not make substantial progress within 180 days of award.

Questions?

If you have any questions, please contact NYS Homes & Community Renewal at OCRINFO@hcr.ny.gov.

The OCR Grant Administration Manual is available online

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Again, please submit all questions to ocrinfo@hcr.ny.gov

- **When will 2023 application instructions be available? Or should we use the 2021 version available on CDOL?**
  The application instructions will be updated shortly. Please use the 2023 instructions once they are available as some parts of the application have changed.

- **If the ERR needs to be complete, does the resolution to submit the application then have all the approvals under SEQR and NEPA?**
  Yes. A completed NEPA and SEQRA are required as part of the application's Environmental Review Record (ERR) requirements. Part of the ERR includes the Designation of Certifying Officer (CO). If the CO is also the Chief Elected Official, no resolution necessary. If the CO is someone other than the CEO, that designation must be made via resolution. It is acceptable to pass one resolution authorizing submission of the application and the Designation of Certifying Officer.

- **Do we need to publish the NOFA prior to submission?**
  "NOFA" stands for the Notice of Funding Availability, which is published by OCR. Municipalities are responsible for publishing a Notice of Public Hearing before application submission. For additional information on public hearing requirements, please review Chapter 8 of the OCR Grant Administration Manual.

- **Is septic a separate activity from rehab or can we do septic replacement under a rehab activity?**
  Septic replacements are an eligible use of CDBG funds for housing rehabilitation projects, but municipalities with a demonstrated need for this type of work can also apply for a specific grant for Wells, Septic and Lateral Connections. Applications for programs that will only fund wells and septic replacements should address how any other housing rehabilitation needs may be addressed through other sources.

- **The application has a question about security agreements and the written agreement presented to program recipients. Where can I find info on the specifics of this, there was nothing I could find in the grant manual or HCR website. And does OCR have templates for the restrictive covenants that would be used as they do for AHC?**
  OCR does not have a template for security agreements, or the agreements provided to program recipients. However, we do have a template for the restrictive lien covenant which will be published on our website. Security instruments for larger multi-unit projects will also be made available on the OCR website.

- **If a CDBG program falls under the category of a direct benefit (i.e.: A repair program where recipients are screened individually to confirm their income falls within the LMI limits), would we need to conduct an income survey as part of the entire community?**
  Income surveys for housing activities are not required. The applicant must demonstrate that it has at least established a waiting list of potentially eligible and interested

households. If funding is successful, income verification will occur at a later date if the household is selected for participation.

- **Are letters of support from elected officials or beneficiaries required/accepted?**

  Letters of support from elected officials or beneficiaries are not required but are accepted and encouraged.

- **Could funding commitment documentation include MOUs with other non-profits?**

  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 state funds are committed and will be available upon award. As a result, if the MOU clearly states that funds will be committed and be available upon award, it is acceptable. Any documentation that incudes conditional language will not be considered as committed and available. For example, if the documentation states that "*funds will be committed **if** CDBG funds are awarded"* is an example of this.

- **Procurement question: For simplified acquisition price services under $150K, do recipients need to comply with the requirement in the grant manual to 'solicit bids by mail and public notices in newspapers and trade publications'? Or because it's a simplified acquisition, would procurement guidelines be met by reaching out to a minimum of 2 qualified sources to obtain bids?**

  Recipients are required to follow local procurement guidelines. The reference to the $150,000 is the federal limit, the more restrictive procurement policy prevails. Small purchase is not intended to be used for professional services, it should be limited to material and equipment. Professional services should be procured via Request for Proposal (RFP) or Request for Qualifications (RFQ). The RFQ is restricted to engineering and architectural services.

- **Is the Vendor Responsibility Questionnaire filled out for the subrecipient?**

  Yes, please complete the Vendor Responsibility Questionnaire for the subrecipient who will be undertaking the activity on behalf of the awardee.

- **For prequalification of wait list participants, is self-reporting income/assets from participants sufficient to show a household is prequalified at this stage or would we be required to do formal verification of income documents such as pay stubs and tax returns in establishing the waitlist.**

  Self-reported income and assets are acceptable for the purpose of creating a waitlist as long as formal verification occurs after the grant is awarded.

- **How old can your homeowner housing rehab wait list be? If it is older, can you contact the people for updating and would that be acceptable for the grant application.**

Generally speaking, waitlists should be no more than twelve (12) months old. This can be demonstrated by documenting on-going outreach to new households and updating current households at least annually.

- **Will a recording of this presentation be available?**

  A recording of this presentation will be posted on the OCR website by the end of the business day on Friday, June 9th.