NEW YORK STATE OF OPPORTUNITY. | Homes and Community Renewal

CDBG Program Implementation

Getting Started

December 4, 2023

Good afternoon, this is Charlie Philion, Program Director for the NYS CDBG Program and am joined today by Savitry Kola, Nina Krupski, Hailey Hamias and Madeline Schoeck and E'lan Sims.

For those of you that have participated in this in the past, you'll notice a new agenda. This year, the grant agreement and environmental review will be covered through todays webinar. In 2024, OCR hopes to begin in-person training and will cover program administration and financial management at these events.

There is some upcoming events that you may find helpful. OCR is now offering "office hours" on the first Wednesday of each month, the first one will be this Wednesday, December 6, 2023, from 1:00pm to 2:00pm.

On January 18, 2024, OCR in conjunction with FEHO will offer Section 3 training on reporting and compliance.

In late winter-early spring, OCR will offer a webinar on lead-based paint compliance, look for that on the website under Upcoming Events and Webinars.

Program Implementation Webinar

1. Getting Started – today
   - Grant Agreement
   - Environmental Review

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OK, so we got that out of our system, let's get started. On behalf of OCR, I would like to congratulate again on your grant award. Today's webinar is designed to provide an overview of the CDBG program for first time awardees as well as prior awardees.

1. Getting Started is the focus today's webinar and will cover getting the grant agreement executed and will review completing the environmental review and request for release of funds.

Beginning in early 2024, the OCR will offer in-person training in different locations around the state. These in-person events will cover in-depth review of Financial Management and Program Administration and Led Based Paint Compliance.

Stay tuned for dates and locations

The in-person events will be designed for local government recipients and their participating subrecipients and consultants to help guide through grant start up and implementation and closeout, essentially the life of the contract or award. The webinar 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

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Before we begin, I would like to mention that participants will remain muted during the duration of the webinar. If you have a question, please enter it in the chat box. Questions will be addressed and answered at the end of the presentation. Make sure questions go to all participants.

The presentation slides will be made available on the OCR website. Contact your assigned project Community Developer to obtain any additional copies.

The objectives of this 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.

There will be a lot of information addressed during this webinar that may be new to some you. My first word of advice is don't panic!

Key References

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

Key References

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

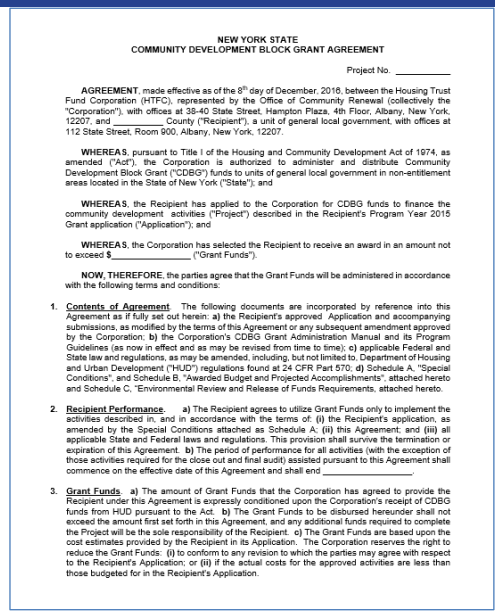
1. First, the grant agreement that has been or will be executed with the Office of Community Renewal. Specific documentation required to execute the grant agreement will be covered under a later slide.
2. Second is the Grant Administration Manual, which is a comprehensive document prepared by OCR to guide you through grant implementation. The OCR recommends always referring to the most recent version available on the website. Projects will be expected to follow updates as they are announced. The website can be bookmarked; however, OCR strongly recommends against downloading the GAM. Updates are made periodically, and this could impact the administration of a grant. The City/Town/Village or County that has been awarded the NYS CDBG funds must always follow any updates or changes.
3. 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.
4. 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
- New clauses
- Schedule A – Special Conditions
- Schedule B – Project budget and proposed accomplishments
- Schedule C – Period of Affordability

Twenty-five (25) month term except for community planning grants, which have a thirteen (13) month term.



NEW YORK STATE
COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT

Project No. _____

AGREEMENT, made effective as of the 8th day of December, 2016, between the Housing Trust Fund Corporation (HTFC), represented by the Office of Community Renewal (collectively the "Corporation"), with offices at 38-40 State Street, Hampton Plaza, 4th Floor, Albany, New York, 12207, and _____ County ("Recipient"), a unit of general local government, with offices at 112 State Street, Room 900, Albany, New York, 12207.

WHEREAS, pursuant to Title I of the Housing and Community Development Act of 1974, as amended ("Act"), the Corporation is authorized to administer and distribute Community Development Block Grant ("CDBG") funds to units of general local government in non-entitlement areas located in the State of New York ("State"); and

WHEREAS, the Recipient has applied to the Corporation for CDBG funds to finance the community development activities ("Project") described in the Recipient's Program Year 2015 Grant application ("Application"); and

WHEREAS, the Corporation has selected the Recipient to receive an award in an amount not to exceed $_____ ("Grant Funds");

NOW, THEREFORE, the parties agree that the Grant Funds will be administered in accordance with the following terms and conditions:

1. **Contents of Agreement**. The following documents are incorporated by reference into this Agreement as if fully set out herein: **a)** the Recipient's approved Application and accompanying submissions, as modified by the terms of this Agreement or any subsequent amendment approved by the Corporation; **b)** the Corporation's CDBG Grant Administration Manual and its Program Guidelines (as now in effect and as may be revised from time to time); **c)** applicable Federal and State law and regulations, as may be amended, including, but not limited to, Department of Housing and Urban Development ("HUD") regulations found at 24 CFR Part 570; **d)** Schedule A, "Special Conditions", and Schedule B, "Awarded Budget and Projected Accomplishments", attached hereto and Schedule C, "Environmental Review and Release of Funds Requirements, attached hereto.

2. **Recipient Performance**. **a)** The Recipient agrees to utilize Grant Funds only to implement the activities described in, and in accordance with the terms of: **(i)** the Recipient's application, as amended by the Special Conditions attached as Schedule A; **(ii)** this Agreement; and **(iii)** all applicable State and Federal laws and regulations. This provision shall survive the termination or expiration of this Agreement. **b)** The period of performance for all activities (with the exception of those activities required for the close out and final audit) assisted pursuant to this Agreement shall commence on the effective date of this Agreement and shall end _____.

3. **Grant Funds**. **a)** The amount of Grant Funds that the Corporation has agreed to provide the Recipient under this Agreement is expressly conditioned upon the Corporation's receipt of CDBG funds from HUD pursuant to the Act. **b)** The Grant Funds to be disbursed hereunder shall not exceed the amount first set forth in this Agreement, and any additional funds required to complete the Project will be the sole responsibility of the Recipient. **c)** The Grant Funds are based upon the cost estimates provided by the Recipient in its Application. The Corporation reserves the right to reduce the Grant Funds: **(i)** to conform to any revision to which the parties may agree with respect to the Recipient's Application; or **(ii)** if the actual costs for the approved activities are less than those budgeted for in the Recipient's Application.

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If you have executed a NYS CDBG grant before, there are significant changes to the grant agreement. There are essential "schedules" attached to the basic agreement which contain key requirements for each recipient.

Schedule A contains grant conditions that the recipient must meet prior to the execution of the grant agreement. All grant agreements have special conditions.

Project Start-up Activities
By January 4, 2024, or 45 days of OCR issuing Grant Agreement: Execution of Grant Agreement

By January 19, 2024, or 60 days of OCR issuing Grant Agreement: submission of any required environmental review record revisions and submission of Request for Release of Funds

Project Implementation Activities
By May 9, 2024, Local Commitment and Expenditure of all Grant Funds must begin.

The OCR will require any awardee of NYS CDBG funds to complete and execute the "Certification Under Executive Order No. 16 Prohibiting State Agencies and Authorities from Contracting with Businesses Conducting Business in Russia".

A template is available on the OCR website at: https://hcr.ny.gov/community-development-block-grant#forms-and-documents and is listed under Reporting and must be returned with the Grant Agreement.

Schedule B contains the schedule, key accomplishments and the budget of approved uses of CDBG funds.

Schedule C applies to all housing activities, it addresses the Period of Affordability and the applicability of enforcement or security documents.

- In addition to the two schedules, the grant agreement must also include the submission of:
  - Authorized Signature Form – Form 1-1
  - Designation of Depository Form – Form 1-2
  - Program Schedule – Form 7-2
  - Project Team – Form 8-1
  - Evidence of general liability coverage and fidelity theft and crime coverage
- These additional forms are covered on a later slide

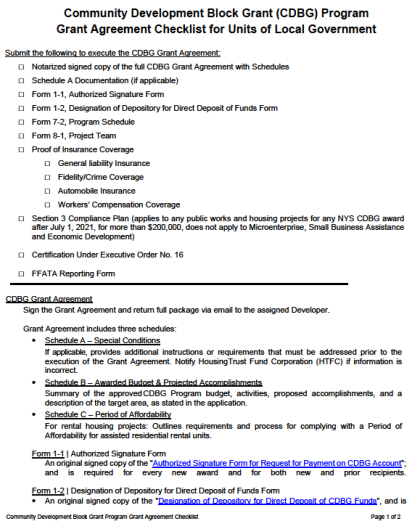
In prior funding rounds, the contract terms have been 2 years for infrastructure and facility projects and 1 year for community planning. The term now is 25 months and 13 months, this incorporates the 30-day grace period at contract termination for submission of final requests for funds and other required documentation.

Recipients should note that contracts are for twenty-five (25) months beginning on the date of award. The date of award is November 9, 2023. this is the date listed in the Grant Agreement and on the award letter not, when the Grant Agreement is executed or when the municipality is issued Release of Funds.

The termination date for all grant agreements is December 8, 2025, except for community planning grants, which are thirteen (13) month contracts, the termination date for these awards is December 7, 2024.

1. Grant Agreement

CDBG Grant Agreement Checklist



Community Development Block Grant (CDBG) Program
Grant Agreement Checklist for Units of Local Government

Submit the following to execute the CDBG Grant Agreement:

- ☐ Notarized signed copy of the full CDBG Grant Agreement with Schedules
- ☐ Schedule A Documentation (if applicable)
- ☐ Form 1-1, Authorized Signature Form
- ☐ Form 1-2, Designation of Depository for Direct Deposit of Funds Form
- ☐ Form 7-2, Program Schedule
- ☐ Form 8-1, Project Team
- ☐ Proof of Insurance Coverage
  - ☐ General liability Insurance
  - ☐ Fidelity/Crime Coverage
  - ☐ Automobile Insurance
  - ☐ Workers' Compensation Coverage
- ☐ Section 3 Compliance Plan (applies to any public works and housing projects for any NYS CDBG award after July 1, 2021, for more than $200,000, does not apply to Microenterprise, Small Business Assistance and Economic Development)
- ☐ Certification Under Executive Order No. 16
- ☐ FFATA Reporting Form

CDBG Grant Agreement

Sign the Grant Agreement and return full package via email to the assigned Developer.

Grant Agreement includes three schedules:

- Schedule A – Special Conditions
  If applicable, provides additional instructions or requirements that must be addressed prior to the execution of the Grant Agreement. Notify HousingTrust Fund Corporation (HTFC) if information is incorrect.
- Schedule B – Awarded Budget & Projected Accomplishments
  Summary of the approved CDBG Program budget, activities, proposed accomplishments, and a description of the target area, as stated in the application.
- Schedule C – Period of Affordability
  For rental housing projects: Outlines requirements and process for complying with a Period of Affordability for assisted residential rental units.

Form 1-1 | Authorized Signature Form
An original signed copy of the "Authorized Signature Form for Request for Payment on CDBG Account"; and is required for every new award and for both new and prior recipients.

Form 1-2 | Designation of Depository for Direct Deposit of Funds Form
- An original signed copy of the "Designation of Depository for Direct Deposit of CDBG Funds", and is

Community Development Block Grant Program Grant Agreement Checklist — Page 1 of 2

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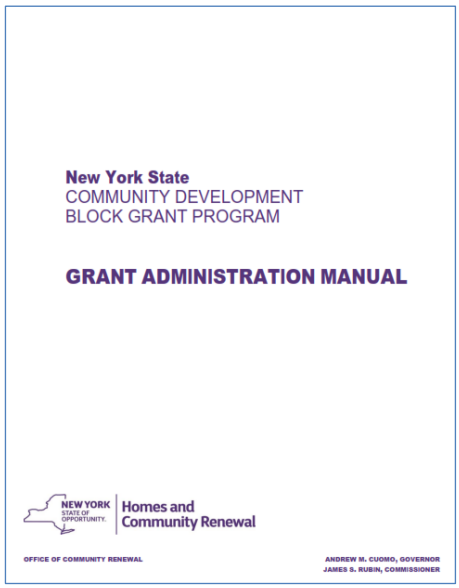
The Grant Agreement Checklist was provided in the email with the grant agreement

This lays out any specific requirements and documentation that must be submitted with the grant agreement

Your assigned Community/Economic Developer can assist with any questions

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



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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
2. Environmental & Historic Review – This Chapter addresses the federal and state environmental review responsibilities that local recipients face as the "Responsible Entity" for the grant.
3. Financial Management – This chapter addresses federal financial management responsibilities, which will be addressed in Webinar 4.
4. Procurement Standards – This Chapter offers guidance on the federal requirements for procurement, whether for consultants or contractors.
5. General Provisions – This Chapter contains guidance on some of the cross-cutting federal requirements that pertain to CDBG projects, such as labor standards and Lead-Based Paint.
6. Eligible Activities – This Chapter and will provide guidance on the three primary CDBG activities, Public Infrastructure, Housing and Economic Development
7. Construction Requirements – This Chapter, formerly Chapter 5 will provide guidance on Davis-Bacon, lead based paint, Section 3 and MWBE.
8. Other Federal Requirements – This Chapter will provide guidance on Civil Rights requirements, Conflicts of Interest, Income Eligibility and displacement, relocation and acquisition
9. 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.

10. Modifications & Amendments – This Chapter is important if you need to do a budget or schedule modifications, or other amendments.
11. 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.
12. Reporting Requirements – This Chapter will provide guidance on Financial Reporting, the Annual Performance Report, Davis-Bacon Labor Standards Reporting and Section 3 and MWBE Reporting.
13. Grant Closeout – This Chapter will provide guidance on the grant closeout process.

An Announcement of Changes to the GAM is made periodically. Always refer to the most recent version on the OCR website.

3. CDBG Web Site

For all Public Water, Public Sewer, Public Facility, all Housing Related Activities and Community Planning, click here.

For all Economic Development, Small Business Assistance and Microenterprise Projects, click here.

For the CDBG-CV CARES Act, click here

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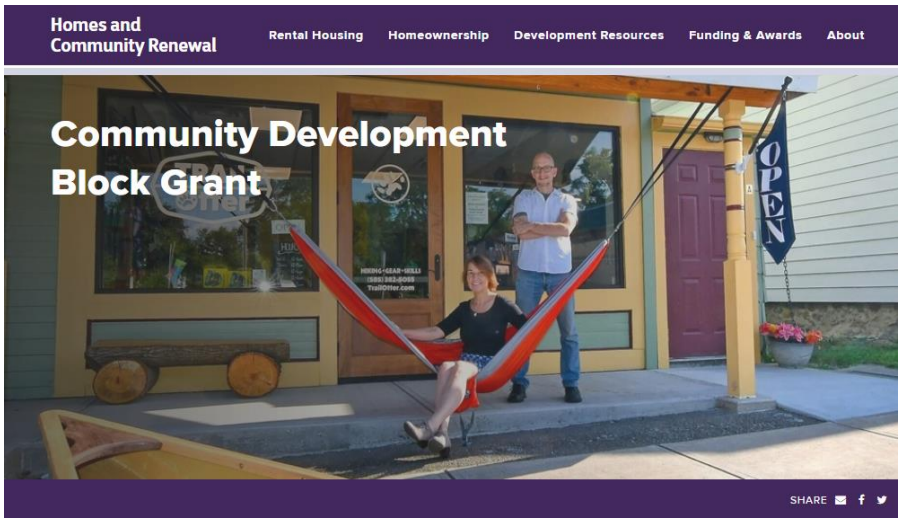
Depending on the type of activity that is being undertaken, you will use one of these links. Most of you on this call will be using the top link.

3. CDBG Web Site



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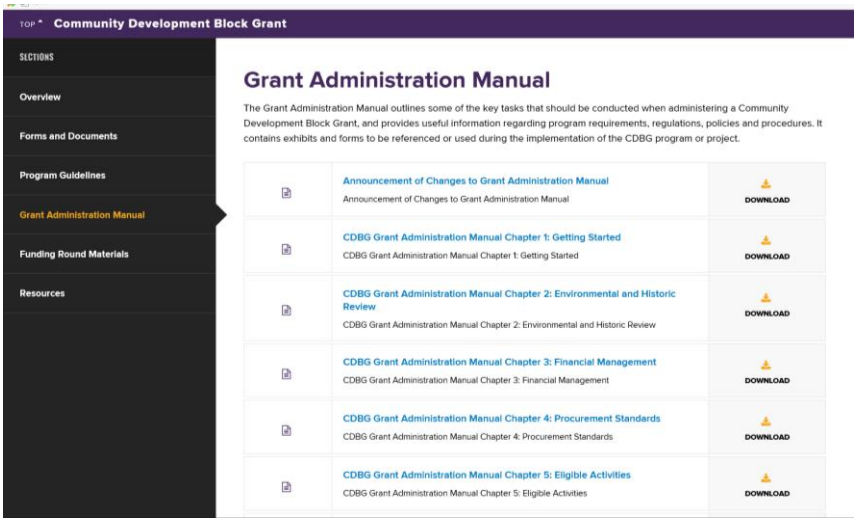
This is the main page for the CDBG program website.

3. CDBG Web Site



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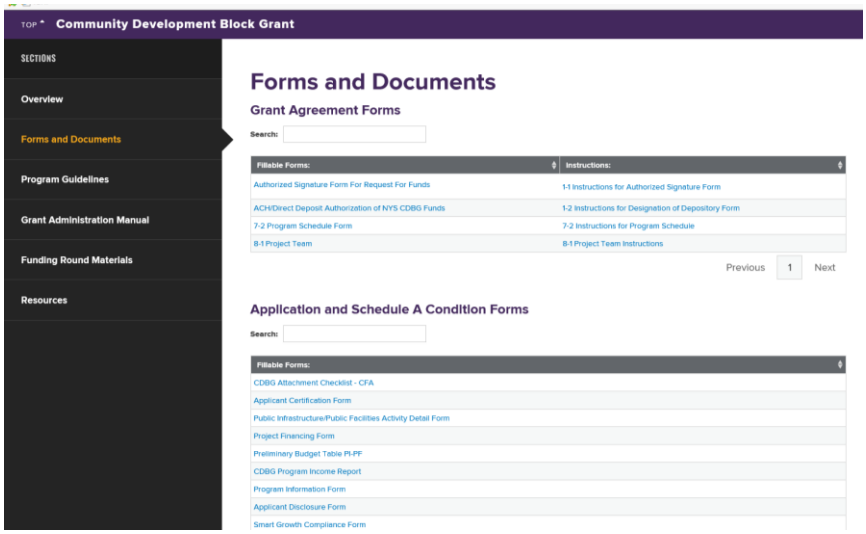
This is the what you will see when you click on the current Grant Administration Manual.

It is highly recommended to bookmark this page.

As chapters are updated, or revisions are made, you will be responsible for complying with updates.

3. CDBG Web Site



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This is the forms page of the website.

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

All forms should be completed electronically unless otherwise noted. Any form that is handwritten will be rejected

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

Unless otherwise requested, all forms can be signed electronically and must be submitted to your assigned Community or Economic Developer electronically.

DO NOT SUBMIT ANY DOCUMENTATION AS HARDCOPY UNLESS SPECIFICALLY REQUESTED TO DO SO BY OCR.

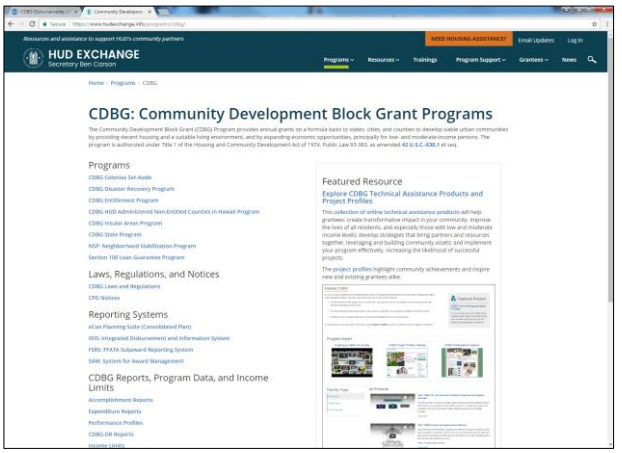
Certain forms require signatures. These forms are:

1. The fully executed Grant Agreement and required forms
   - Authorized Signature Form for Request for Funds
   - ACH/Direct Deposit Authorization of NYS CDBG Funds
   - Section 3 Compliance
   - 7-2 Program Schedule
   - 8-1 Project Team
2. The original wet signature must be retained by the Recipient

Again, I would like to remind you that we will be discussing these forms in more detail in upcoming slides.

4. HUD Exchange

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

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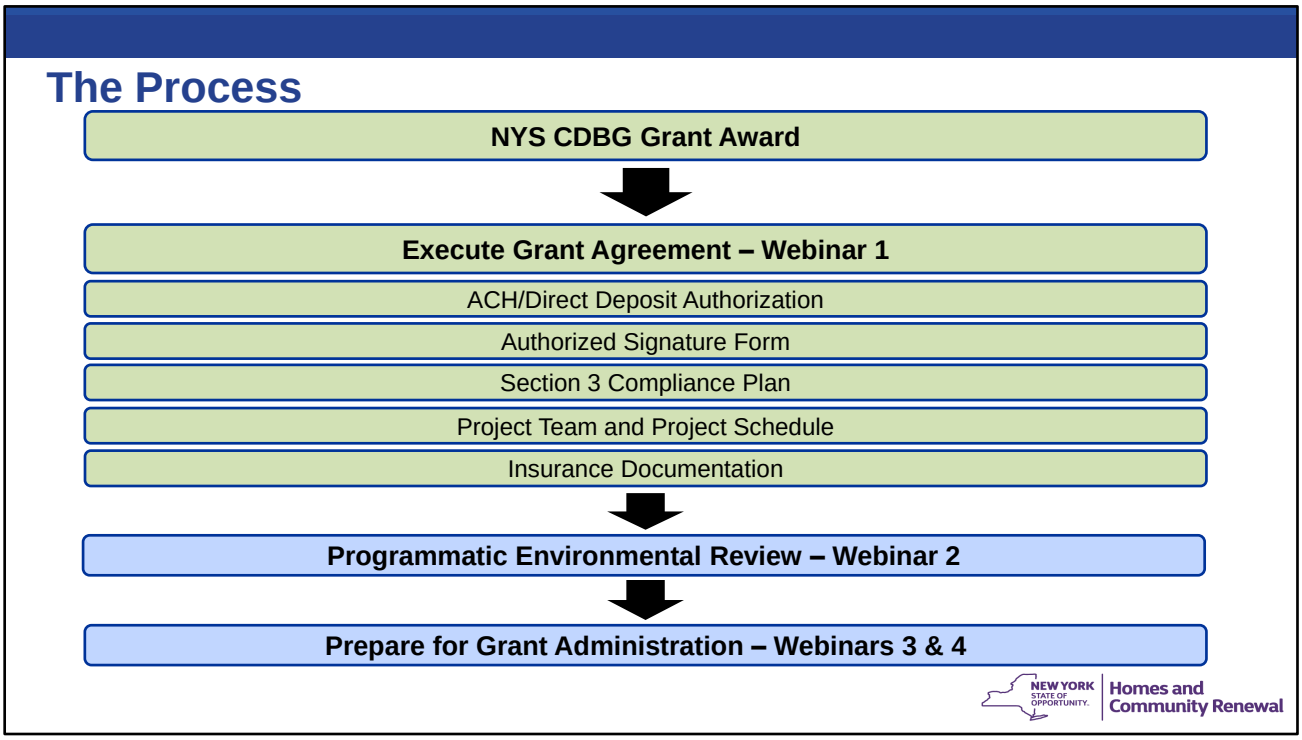
While OCR has compiled most key information and requirements into the agreement, the Manual, and its web site, HUD also has a web site – known as the HUD Exchange – that offers a wealth of products and tools that those implementing CDBG programs find to be very valuable. The HUD Exchange is a resource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

Next, we'll talk about the 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 five forms listed

Designation of Depository,
Authorized Signature
Project Schedule
Insurance documents, and
Project Team

and return ONE COPY of the executed Agreement, Forms and evidence of any Schedule A Conditions that are met to OCR within 45 days or January 4, 2024.

Grant Agreement Execution

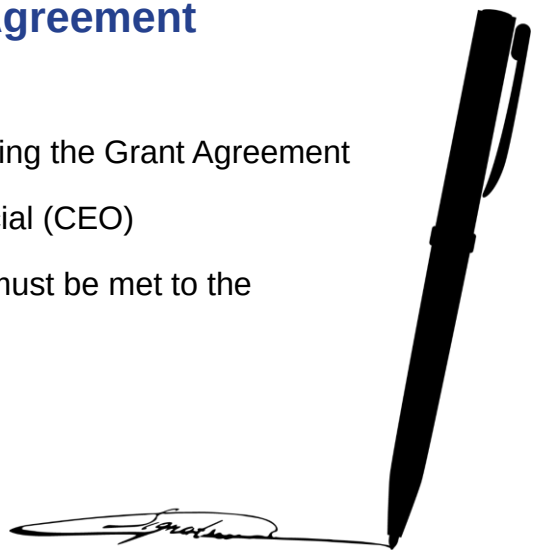
Let’s go through the details of grant agreement execution. As a reminder, this presentation will be made available on the OCR website as a PDF after the webinar.

This is also a good time to remind everyone we will do Q & A at the end of the webinar; you can submit questions at any time.

Questions that are not sent to all may not be addressed during this session.

First Step: Execute the Grant Agreement

- Must execute within 45 days of OCR issuing the 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
- Follow the Grant Agreement checklist



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

Please pay very close attention to the Schedule A Conditions, if any.

Refer to Item 28 of the grant agreement, Expenditure of Funds:

Recipient shall complete the Environmental Review Record, obtain approval for a Request for Release of Funds and submit the first request for funds to the OCR within 180 days of the date of the grant award.

If a proposed project is not committed or completed, Program Delivery and Project Costs are not eligible as there is no CDBG-eligible activity. Costs incurred and funds disbursed for projects that do not advance are subject to repayment.

For Project Implementation requirements to be met include the first disbursement of funds by May 9, 2024.

Housing only: (For housing awardees, pay very close attention to the Period of Affordability that is now in place.)

Grant Agreement Due Dates

For projects awarded through the 2023 CFA:

Grant Agreements are due back by Thursday, January 4, 2023

If this date cannot be met, contact your Community Developer

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All grant agreements for the 2023 funding Round are due with 45 days of OCR issuing, or Thursday, January 4, 2024.

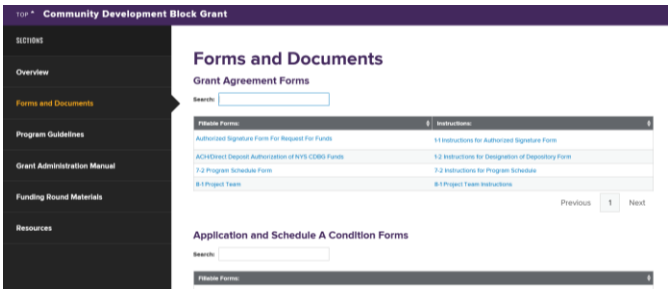
Required Documents to Execute Agreement

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
✓ Required Insurance Forms



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The forms and documents referenced in the last few slides can all be found here on the CDBG website

There are multiple tiles to select from under Forms and documents, including:

1. Grant Agreement Forms
2. Application and Schedule A Condition Forms
3. Environmental Review Forms
4. Disbursement of CDBG Funds
5. CDBG Reporting
6. General Grant Administration
7. File Maintenance Labels

Required Documents to Execute Agreement

Section 3 Compliance Plans

For more information, please refer to
Section 3 Compliance | Homes and Community Renewal (ny.gov)

A webinar on Section 3 Reporting and Training will be offered on January 18, 2024.

For more information and to register, please go to https://hcr.ny.gov/community-development-block-grant#cdbg-upcoming-events-and-webinars

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1. Grant Agreement Forms
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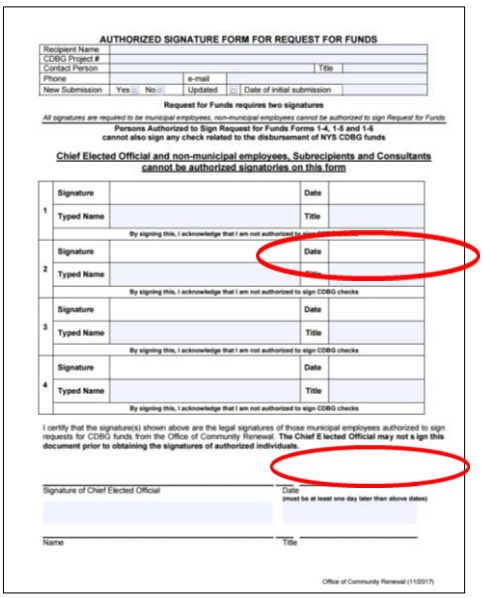
6. General Grant Administration
7. File Maintenance Labels

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

Recipient Name
CDBG Project #
Contact Person
Title
Phone
e-mail
New Submission Yes ☐ No ☐ Updated ☐ Date of initial submission

Request for Funds requires two signatures

All signatures are required to be municipal employees, non-municipal employees cannot be authorized to sign Request for Funds

Persons Authorized to Sign Request for Funds Forms 1-4, 1-5 and 1-6 cannot also sign any check related to the disbursement of NYS CDBG funds

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

1	Signature		Date	
	Typed Name		Title	
	By signing this, I acknowledge that I am not authorized to sign CDBG checks			
2	Signature		Date	
	Typed Name		Title	
	By signing this, I acknowledge that I am not authorized to sign CDBG checks			
3	Signature		Date	
	Typed Name		Title	
	By signing this, I acknowledge that I am not authorized to sign CDBG checks			
4	Signature		Date	
	Typed Name		Title	
	By signing this, I acknowledge that I am not authorized to sign CDBG checks			

I certify that the signature(s) shown above are the legal signatures 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 (11/2017)

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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.

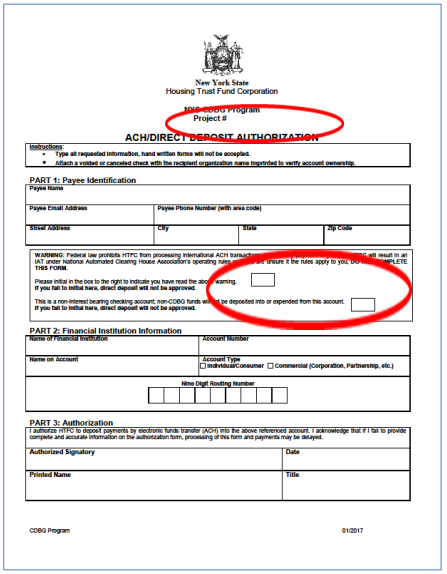
The CEO must review and sign the form ONLY AFTER designated signatories are determined. The date of the CEO signature must be at least one day later than the other signatories' signatures. All signatures must be originals on the Form submitted.

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.

Handwritten forms will be rejected and returned to the Recipient.

ACH/Direct Deposit Authorization

- Recipient must have a non-interest-bearing checking account to receive electronically and disburse CDBG funds
  - Must be in name of recipient
  - May use prior year CDBG account
  - No longer required to be separate account
  - If possible, use bank located in project area
- Execute and submit for each grant.
- Do not hand write, except for initials.



New York State
Housing Trust Fund Corporation

NYS CDBG Program
Project #

ACH/DIRECT DEPOSIT AUTHORIZATION

Instructions:
- Type all requested information, hand written forms will not be accepted.
- Attach a voided or canceled check with the recipient organization name imprinted to verify account ownership.

PART 1: Payee Identification

Payee Name

Payee Email Address | Payee Phone Number (with area code)

Street Address | City | State | Zip Code

WARNING: Federal law prohibits HTFC from processing international ACH transactions. Any attempt to do so will result in an IAT under National Automated Clearing House Association's operating rules, and you are unsure if the rules apply to you, DO NOT COMPLETE THIS FORM.

Please initial in the box to the right to indicate you have read the above warning.

If you fail to initial here, direct deposit will not be approved.

This is a non-interest bearing checking account; non-CDBG funds will not be deposited into or expended from this account.

If you fail to initial here, direct deposit will not be approved.

PART 2: Financial Institution Information

Name of Financial Institution | Account Number

Name on Account | Account Type ☐ Individual/Consumer ☐ Commercial (Corporation, Partnership, etc.)

Nine Digit Routing Number

PART 3: Authorization

I authorize HTFC to deposit payments by electronic funds transfer (ACH) into the above referenced account. I acknowledge that if I fail to provide complete and accurate information on the authorization form, processing of this form and payments may be delayed.

Authorized Signatory | Date

Printed Name | Title

CDBG Program 01/2017

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Recipients must have a **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.

NYS OCR no longer requires that a separate non-CDBG account be established, a municipal general funds account can be used.

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.

NYS OCR no longer requires awardees to include a voided or cancelled check with the form.

If the account is all electronic and no checks will be issued, submit a statement from the Chief Financial Officer that the account is in the Recipients name, is non-interest bearing and all payments will be electronic.

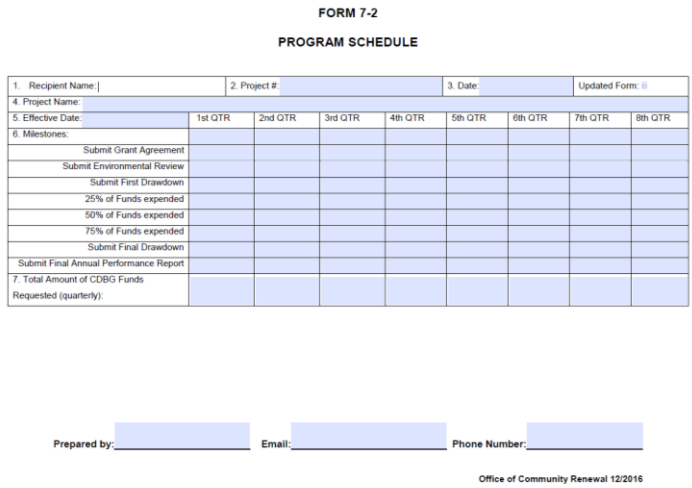
Be sure to enter the CDBG Project Number at the top of the page.

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

Handwritten forms, except for the two initials, will be rejected and returned to the Recipient.

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 First 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

NEW YORK STATE OF OPPORTUNITY. Homes and Community Renewal

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

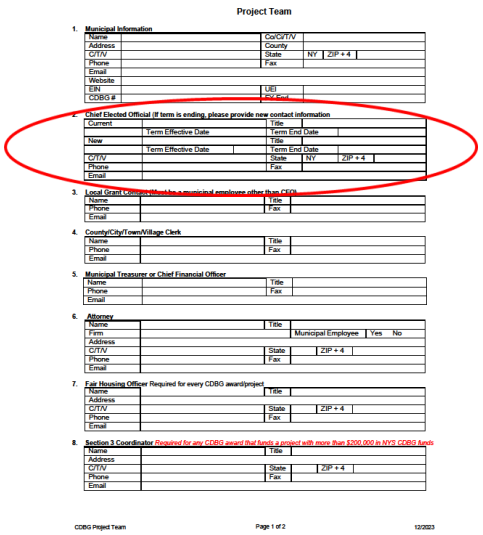
All fields must be completed

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

Handwritten forms will be rejected and returned to the Recipient.

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 for any construction contract over $200,000



Project Team

1. Municipal Information

Name		Co/C/T/V	
Address		County	
C/T/V		State	NY ZIP + 4
Phone		Fax	
Email			
Website			
EIN		UEI	
CDBG #		EIV Eligible	

2. Chief Elected Official (If term is ending, please provide new contact information

Current		Title	
	Term Effective Date	Term End Date	
New		Title	
	Term Effective Date	Term End Date	
C/T/V		State	NY ZIP + 4
Phone		Fax	
Email			

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

Name		Title	
Phone		Fax	
Email			

4. County/City/Town/Village Clerk

Name		Title	
Phone		Fax	
Email			

5. Municipal Treasurer or Chief Financial Officer

Name		Title	
Phone		Fax	
Email			

6. Attorney

Name		Title	
Firm		Municipal Employee	Yes No
Address			
C/T/V		State	ZIP + 4
Phone		Fax	
Email			

7. Fair Housing Officer Required for every CDBG award/project

Name		Title	
Address			
C/T/V		State	ZIP + 4
Phone		Fax	
Email			

8. Section 3 Coordinator *Required for any CDBG award that funds a project with more than $200,000 in NYS CDBG funds*

Name		Title	
Address			
C/T/V		State	ZIP + 4
Phone		Fax	
Email			

CDBG Project Team Page 1 of 2 12/2023

NEW YORK STATE OF OPPORTUNITY. Homes and Community Renewal

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 qualified not-for-profit group, such as a senior center organization 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 for any anticipated local construction contract in excess of

$200,000.

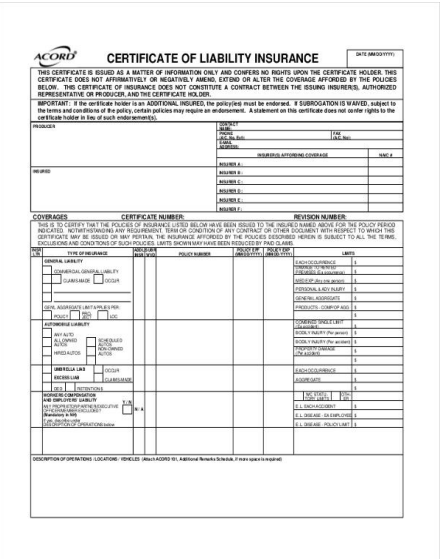
- Labor Standards Compliance Officer is required for any project subject to Davis-Bacon.
- It is strongly encouraged that the Fair Housing Officer, the Section 3 Coordinator and the Labor Standards Compliance Officer, when applicable, be designated by local resolution at official board meeting
    - If designated by resolution, designation should be by title not by name, this avoids issues if the person leaves the position
- There is a new section Project Team, it now asks for Assembly – Senate – Congressional updates
    - Select from the dropdown list and select the districts, as applicable.

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

Incomplete and handwritten forms will be rejected and returned to the Recipient. This will delay the execution of the grant agreement.

Insurance

- NYS OCR has implemented insurance requirements for all projects funded with NYS CDBG funds
- Insurance certificates for:
  - Comprehensive general liability coverage (minimum of $1 million)
  - Automobile insurance, fire insurance, workers' compensation, and disability benefits
  - Fidelity and crime coverage for up to the largest anticipated drawdown request
- *Housing Trust Fund Corporation* and *New York State* (individually) will need to be listed as additional insured.



ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER — CONTACT NAME: — PHONE (A/C, No, Ext): — FAX (A/C, No): — E-MAIL ADDRESS: — INSURER(S) AFFORDING COVERAGE — NAIC #

INSURED — INSURER A: — INSURER B: — INSURER C: — INSURER D: — INSURER E: — INSURER F:

COVERAGES — CERTIFICATE NUMBER: — REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY						EACH OCCURRENCE $
	COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) $
	CLAIMS-MADE OCCUR						MED EXP (Any one person) $
							PERSONAL & ADV INJURY $
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE $
	POLICY PRO- JECT LOC						PRODUCTS - COMP/OP AGG $
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) $
	ANY AUTO						BODILY INJURY (Per person) $
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident) $
	HIRED AUTOS / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident) $
							$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE $
	EXCESS LIAB CLAIMS-MADE						AGGREGATE $
	DED RETENTION $						$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE / OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				E.L. EACH ACCIDENT $
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE $
							E.L. DISEASE - POLICY LIMIT $

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

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This is new required documentation for CDBG Grant Agreements and programs.

Recipients will need to provide evidence of general liability coverage as described in Clause 9 of the Grant Agreement.

Recipients will provide the Corporation with insurance certificates for comprehensive general liability coverage in a minimum amount of one million dollars, fidelity crime coverage in an amount not less than the largest anticipated disbursement request for Program funds, and certificates for automobile insurance (if applicable), fire insurance, workers' compensation and disability benefits.

With respect to the insurance, the *Housing Trust Fund Corporation* AND *New York State* must both be listed as additionally insured.
ACORD Forms are the standard form used for insurance. Using ACORD's standardized Forms allows for increased efficiency, accuracy, and speed of information processing.

The address for the additional insured is
38-40 State Street
Hampton Plaza
Albany, NY 12207

Environmental Review Record and Request for Release of Funds

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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.

The Requirements and Roles

Environmental Review Record (ERR) was submitted with application

- This will be reviewed by assigned Community/Economic Developer
- Check Schedule A for any ERR revisions identified
- At this time, do not submit any additional documentation to OCR unless requested
- Request for Release of Funds is anticipated on or about January 19, 2024

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These requirements will be reviewed over the next few slides

The Requirements and Roles

Applicable environmental review requirements

- Federal: National Environmental Policy Act (NEPA) & Other Federal laws & authorities: 24 CFR Part 58
  - ✓ Federal – Recipient is the “Responsible Entity”
- State: State Environmental Quality Review Act (SEQRA) 6NYCRR Part 617
  - ✓ SEQR – Recipient is the Lead Agency
- OCR is the review authority

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For most of the participants on today’s webinar, the NEPA and SEQR process was completed with the submission of the application either through CFA for public infrastructure and facility projects or through CDOL for all housing activities. Your assigned Community/Economic Developer will reach out to you directly if there are any revisions required to the ERR as submitted with the application.

There are two sets of environmental review requirements – federal requirements related to HUD funding, and state requirements.

The National Environmental Policy Act (NEPA) and "other Federal laws and authorities“ require that an environmental review be conducted for all Federally assisted actions. 24 CFR Part 58 contains the “Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities.”

The State Environmental Quality Review (SEQR) Act and the implementing regulations require state agencies to consider environmental factors prior to any decision to undertake, approve, or fund an action. SEQR requirements are distinct from federal NEPA review, and compliance with SEQR is required in addition to the federal environmental review.

Note that certain other state laws & authorities apply in all cases. These include consultation with SHPO for historic properties and structures, floodplain management, smart growth requirements, coastal zone consistency, and agricultural district protections.

Note that any ERR submitted after changes go into effect must be in compliance with those changes.

Prohibited Actions Prior to ER Completion

Until review is completed, and funds released, the Recipient (and its partners) may **not**:

- Commit (execute legally binding agreements) or expend CDBG funds
- Commit or expend non-HUD funds
- Undertake a "choice limiting" action, e.g.:
  - Acquisition
  - Demolition/movement
  - Construction/rehabilitation/repair

Recipient can incur planning and other exempt costs prior to release, but at their risk

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Completion of the environmental review process is mandatory before taking a physical action on a site or making a commitment or expenditure of HUD or non-HUD funds for property acquisition, rehabilitation, conversion, lease, repair or construction activities.

For purposes of the environmental review process, commitment means the expenditure of private or public funds, or a legally binding agreement by the recipient or any parties involved in the project, including subrecipients, contractors, or owners/developers for project activities such as property acquisition, construction, conversion, demolition, movement, rehabilitation, or repair.

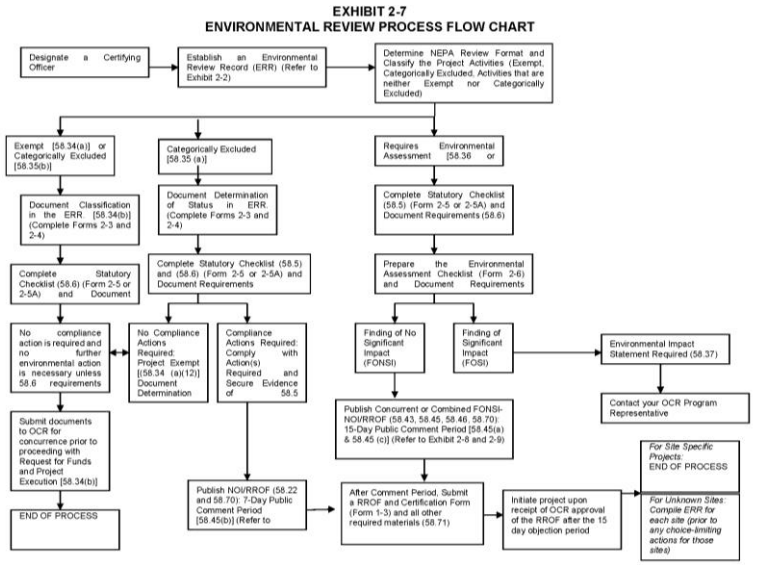
"Non-HUD funds" means any other Federal, state, local, private, or other funds.

HUD takes Choice-Limiting Actions (CLA) very seriously and any CLAs can result in Monitoring Findings and recapture of funding. Once a CLA has occurred, the site cannot receive further HUD dollars.

Recipients may incur costs for exempt activities prior to the release of funds or submittal of the environmental review documentation to OCR provided that the Recipient has fully documented that the activities are exempt from environmental

review requirements. However, it is not the practice of OCR to provide reimbursement of such costs until a release of funds or concurrence letter is issued by OCR. Recipients incur costs for exempt activities at their own risk.

The Environmental Review Process

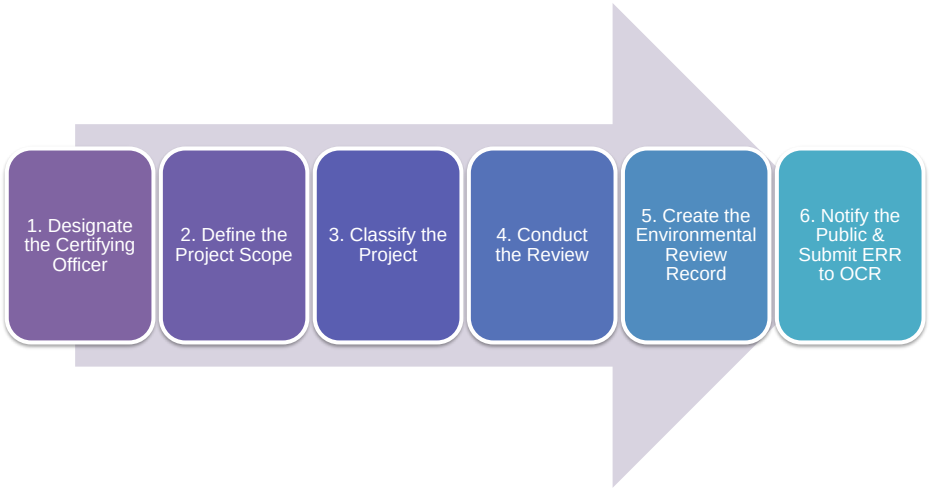


This is Exhibit 2-7, the Environmental Review Process Flow Chart from Chapter 2 of the CDBG Grant Administration Manual which can be found at hcr.ny.gov/community-development-block-grant. It lists the individual steps to complete the Environmental Review and receive Release of Funds. This detailed process chart will be helpful to reference as you conduct the environmental review in order to plan for the required documents, notices, or consultations with state and federal authorities.

The Recipient, as the Responsible Entity (RE) should begin the environmental review process at the earliest possible time so that potential conflicts between program procedures and environmental requirements are identified at an early stage. The environmental review process should commence as soon as a proposed site is identified.

Note that the process described above is for NEPA, not SEQR

Key Steps



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While the Exhibit 2-7 flowchart provides the details, for purpose of this webinar, we have developed a simplified set of six steps that a Recipient must follow as the Responsible Entity.

The rest of our presentation will correlate to these six steps, and you will see the step highlighted in red as we walk through the process. The steps are:

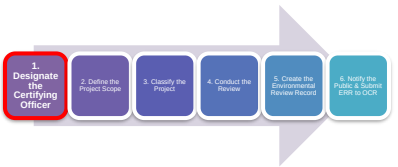
1. Designate the Certifying Officer
2. Define the Project Scope
3. Classify the Project
4. Conduct the Review
5. Create the Environmental Review Record
6. Notify the Public & Submit the ERR to OCR – if required

When all these steps are completed and you have received the Release of Funds or the Concurrence Letter from OCR, you may proceed to implement the activities and incur costs.

1. Designate the Certifying Officer

Recipient must designate Certifying Officer

- Must be Recipient employee or elected official
- May not be a consultant or engineer
- Designate by resolution if the Designated Certifying Officer is not the CEO – complete Exhibit 2-1



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The first step upon award of funds is to designate the Certifying Officer.

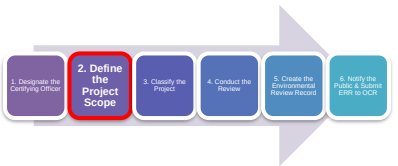
The Certifying Officer must be part of the jurisdiction – either an employee or elected official. It cannot be a consultant or engineer.

The designation should be done by resolution if not the Chief Elected Official, and the Designation of Certifying Officer Form in Exhibit 2-1 of the GAM should be completed by the municipality on letterhead and sent to OCR.

2. Define Project

Aggregation - Group integrally related activities into single ER

- All funding sources/activities, not just CDBG activities
- Also, aggregate activities part of multi-year project



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As the second step in the process, the Recipient needs to define the scope of the project or activity to be able to determine what kind of review is required.

A project is defined as, “an activity, or a group of integrally related activities, designed by the recipient to accomplish, in whole or in part, a specific objective” [24 CFR 58.2(a)(4)]. When performing an environmental review, it is essential to include all project activities in the review, regardless of who is funding the activities (24 CFR 58.32). For example, for homeownership projects, a tiered review must consider the potential impacts of any planned rehabilitation activities, regardless of the funding source.

The purpose of project aggregation is to group together related activities so that the Recipient can analyze, in a single environmental review, the separate and combined impacts of activities that are similar, connected, and closely related, or that are dependent upon other activities and actions.

Recipients should begin to formulate a written project description. The project description must address the entire scope of the project, not just the CDBG portion of the project. For example, if CDBG funds are covering the sewer portion of a sewer and

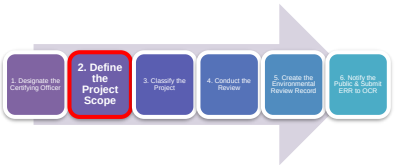
water line project, the ERR and project description must address both the sewer AND water portions of the project. Avoid using buzz words, such as “mixed-use” or “Sewer/water improvements.” You may consider using the project description provided in the grant application submitted to OCR. Again, note that the review must cover all related project components, regardless of the funding source.

Next, the Responsible Entity must determine whether a full review can be conducted, or whether a tiered review process is required. This hinges primarily on whether sites are identified.

2. Define Project

Tiered Review - 2-tier review if sites not yet selected

- Common for many housing & microenterprise programs
- Tier I - establishes parameters to be followed as sites are identified; Request for Release of Funds processed
- Tier II - site-specific reviews; no notices or a Request for Release of funds if no impacts beyond Tier 1.
- No choice limiting actions, including acquisition, until the Tier 2 review is completed.



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Tier I programmatic reviews are conducted for projects where the specific site has not been identified at the time the environmental review is conducted. This is typical for many housing programs and economic development programs (particularly microenterprise), where specific project sites are not determinable at the time of the initial environmental review. A "tiered" environmental review allows grant recipients to conduct an "umbrella" or programmatic review of possible environmental hazards or conditions that could be encountered, and to establish a protocol that will be followed when individual sites are selected and a site-specific, or Tier 2, environmental review is done. Request for Release of Funds are processed at the Tier 1 stage and the Release of Funds are issued at the Tier 1 stage.

Site-specific reviews are conducted for projects where the specific site has already been identified at the time the environmental review is conducted, or as a Tier II review when a specific site has been determined. All compliance documentation for that individual site should be maintained in the ERR for the project.

Tier 2 site-specific reviews follow the protocol established by Tier I and will not trigger a separate Request for Release of Funds as long as conditions or impacts encountered were already addressed in the overall Tier I programmatic review. Site-specific reviews

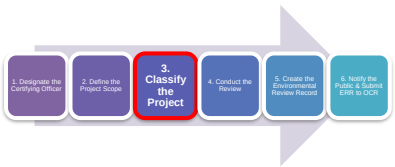
must be conducted before the commitment of funds to a specific site and costs are incurred.

The OCR is developing a Tier II ERR Checklist. This is required when sites are not known upfront and are selected after completion of the Tier I

3. Classify the Project

Identify the category of project to determine the type of review and public notice required:

- Part 58
- SEQR



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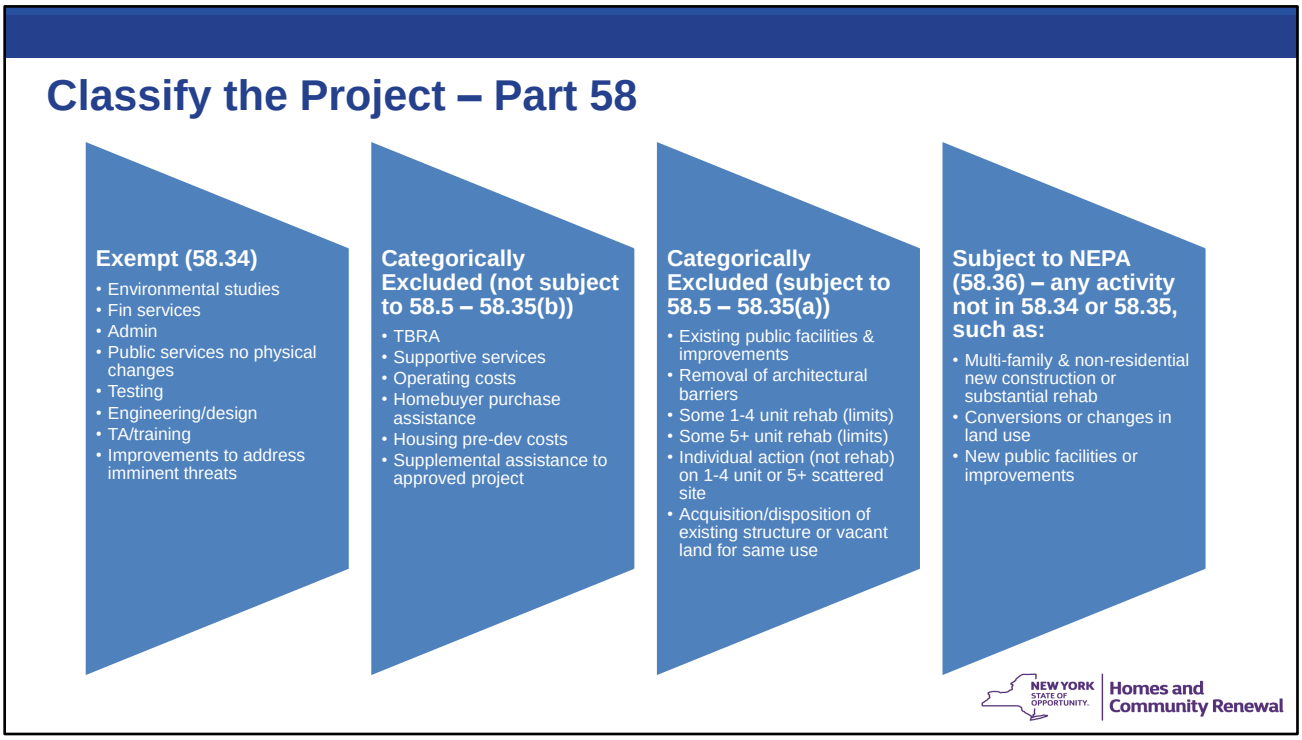
The third step is to classify the project or activity. The classification will determine the specific review, documentation, and public notice required. Separate classifications must occur for both the HUD rules at Part 58 and for the State SEQRA requirements.



There are four environmental classifications under HUD Part 58:
(1) Exempt (as defined in 58.34);
(2) Categorically Excluded not subject to 58.5 (as described in 58.35 (b));
(3) Categorically Excluded subject to 58.5 (as defined in 58.35 (a)); and
(4) Activities that are neither Exempt nor Categorically Excluded (not included in 58.34 or 58.35, and therefore subject to 58.36

Recipients should begin to determine the classification of their project by looking first at the Exempt classification, and then progressing to Categorically Excluded. If the activity is not Exempt or Categorically Excluded, the preparation of an Environmental Assessment (EA) is required. If it is evident at the outset that a project may potentially have a significant impact on the environment, the Recipient should proceed directly to an Environmental Impact Statement (EIS).

Please note that much of this information, including the references from the federal register that regulate the NEPA process, can be found on our website in Chapter 2 of OCR's grant administration manual, and also on the HUD web site. Some of the key activities that fall into each category are as follows:

Exempt (58.34)

- Environmental studies
- Financial services
- Admin
- Public services, no physical changes
- Testing
- Engineering/design
- TA/training
- Improvements to address imminent threats

Categorically Excluded (not subject to 58.5 – 58.35(b))

- Tenant Based Rental Assistance (TBRA)
- Supportive services
- Operating costs
- ED non-construction
- Homebuyer purchase assistance
- Housing pre-development costs
- Supplemental assistance to approved project

Categorically Excluded (subject to 58.5 – 58.35(a))

- Existing public facilities & improvements
- Removal of architectural barriers
- Some 1–4-unit rehab with no density increase, land use change or footprint change in floodplain
- 5+ unit rehab – density change less than 20%, not conversion, rehab cost < 75% replacement cost
- Individual action (not rehab) on 1-4 unit or 5+ scattered site
- Acquisition/disposition of existing structure or vacant land for same use

Subject to NEPA (58.36) – Environmental Assessments

- Multi-family & non-residential new construction or substantial rehab
- Conversions or changes in land use
- New public facilities or improvements

Some projects consist of multiple activities that fall into different categories. In such cases, you must apply the requirements that apply to the highest level activity.

Each classification has different requirements and procedures. We will cover those requirements for each classification in a moment.

Regulatory and Other Agency Review

Has all required review and approval been completed?

- Final Plans and Specifications
- Department of Environmental Conservation
- Department of Health
- NYS DOT
- SHPO/THPO
    - Phase A/B Archeological Study
- Department of Ag and Markets
- Federal Aviation Administration
- Wetland/Floodplain Notices
- Any other local or regional required review

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The Environmental Review Record was essentially submitted with the application.

Your assigned Community Developer is currently reviewing the ERR as submitted.

It is imperative that any remaining local, regulatory or agency review be completed now.

If there are any potential issues with any regulatory review such as SHPO/THPO, NYS DOT, Ag & Markets, and this will prevent the release of funds within 60 days of award, it is the responsibility of the awardee to notify OCR immediately.

If there are any other remaining obstacles preventing a complete ERR and obtaining approval for release of funds, it is the responsibility of the awardee to contact OCR immediately.

Public Notice

If not exempt or converted to exempt:

- Notice of Intent to Request Release of Funds
- 7-day recipient comment period
- Then 15-day OCR comment period.

If EA or EIS

- Finding of No Significant Impact and Notice of Intent to Request Release of Funds
- 15-day recipient comment period
- Then 15-day OCR comment period

Recipient must submit the affidavit of publication for the notices with the ERR

DAY OF PUBLICATION IS DAY ONE

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NYS OCR has updated guidance about public notice timelines. These changes are reflected in the Grant Administration Manual.

Prior to publishing the NOI/RROF or the FONSI/NOIRROF, all other actions must be complete, including any required coordinated review, and comment periods for any other required notices must be complete.

Some projects require recipients to publish the Notice of Intent to Request a Release of Funds. The NOI/RROF includes a 7-day local comment period followed by a 15-day OCR comment period.

Some projects, including ones that require an Environmental Assessment or and Environmental Impact Statement, recipients must publish a combined Notice of Finding of No Significant Impact and Notice of Intent to Request a Release of Funds. The FONSI/NOIRROF includes a 15-day local comment period followed by 15-day OCR comment period.

Follow the timelines in the OCR GAM.

After the public notices are published in a paper of general circulation, recipients should submit the affidavit of publication complete with the entire ERR.

When preparing publication of the NOIRROF or FONSI/NOIRROF, the date of publication is day zero, the first business day after the date of publication is day 1.

Request for Release of Funds

PUBLIC INFASTRUCTURE AND PUBLIC FACILITIES PROJECTS

Submission of Request for Release of Funds is due by January 19, 2024

For projects preparing a Notice of Intent to Request Release of Funds
Last day to publish and meet this deadline is December 26, 2023

For projects preparing a Finding of No Significant Impact Notice of Intent to Request Release of Funds last day to publish and meet this deadline is December 18, 2023

If these dates cannot be met, contact your Community Developer now

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Projects that are unable to meet these dates and deadlines will be at risk of losing CDBG funds.

Projects must be out to bid, awarded and construction contracts executed and first request for funds for hard costs must be submitted no later than May 9, 2024.

Next Steps

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

An administrative plan is now required for all new awards and can be found here: exhibit-1-1-cdbg-local-recipient-admin-plan.pdf (ny.gov)

- Administrative structure
- Project management
- Financial management

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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

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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
- 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.

through a Request for Proposal (RFP). Do not use a Request for Qualifications (RFQ) for the selection of a consultant, the RFQ is for engineering/architectural services only.

Program Environmental Clearance

Cautions:

- In order to fully comply with NEPA, the ERR must include not only NYS CDBG funds, but ALL project funds and the entire scope of the project
- 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
- Choice limiting actions not permitted; only planning and "exempt" activities
- Failure to fully comply with NEPA will jeopardize the NYS CDBG award

An approved RROF for all projects should be submitted by Friday, January 19, 2024.

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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 is described in detail in the Grant Administration Manual Chapter 2.

Release of Funds are due approximately 60 days from OCR issuing grant agreement. Municipalities awarded infrastructure and facility grants should expect to submit the Notice of Intent to Request Release of Funds by Friday, January 19, 2024.

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.

Question and Answer

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Questions

Post your questions now in the Question box

Questions after this webinar:

- Email to ocrinfo@hcr.ny.gov or
- Contact your Community or Economic Developer at 518-474-2057

Please visit the HCR website here.

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Questions that are not answered in the time remaining today will be addressed in FAQs. You may also follow up with your OCR contact regarding questions specific to your grant and activities.