

# 2019 Community Development Block Grant (CDBG) Small Cities Application Workshop

Program Overview January 22, 2019

# 2019 Funding

- Funding Available for FY 2019-2020 approximately \$12,000,000
- The amount available to fund projects will be approximately \$11,640,000
- Up to 15% (roughly \$1.8 million) of total allocation for Public Service activities
- The above funding amounts will change based on the final HUD allocations

# Application Requirements

- Due Date: by April 12, 2019
- Time: No Later than 2:00 pm
- One Original and One Electronic Copy (on memory drive)
- 3-ringed binder and tabbed (please make sure that all the information is submitted along with pertinent sections of the application)
- DOH WILL NOT accept applications or additional information after April 12<sup>th</sup> 2:00 pm.

# Intent to Apply Email



- Please email your Intent to Apply to Miguel Rivera at [rivera.miguel@ct.gov](mailto:rivera.miguel@ct.gov) by Friday, February 22, 2019
- Basic information required is the proposed project, project amount, and whether or not you have or plan to hire a consultant - Must use the format provided in the next slide

# INTENT TO APPLY EMAIL SAMPLE

- The Town of **Neverland** intends to submit a Small Cities Application for the 2018 application round.
- The proposed project description: **Residential Rehab (OR) Infrastructure on Main St. & First Ave. (OR) Senior Center Rehab located on Potter Lane.**
- The town will submit an application in the amount of: \$300,000
- The town plans to advertise for a consultant \_\_\_\_\_ Yes \_\_\_\_\_ No
- If consultant is in place, please indicate name of firm: XYZ Consultant
- Town CEO: \_\_\_\_\_ Date \_\_\_\_\_
- Phone: \_\_\_\_\_ Email: \_\_\_\_\_
- Address: \_\_\_\_\_  
Street Town/City Zip
- Please note that all proposed projects must meet the eligibility and national objective criteria.
- It is understood that this project could change by the time applications are submitted.

# Project Standards

## Maximum award limits:

- ▶ Up to \$1,500,000.00 for Public Housing Modernization (including pre-development and construction);
- ▶ Up to \$800,000.00 for Housing Rehabilitation Program;
- ▶ Up to \$1,000,000.00 for Infrastructure; (For example: streets and sidewalks)
- ▶ Up to \$350,000.00\* for Public Services (Youth Homelessness and Shelter Diversion programs in participation with CAN); and
- ▶ Up To \$1,000,000.00 for Public Facilities (For example: construction, reconstruction, rehabilitation or installation of public facilities and improvements and fire protection equipment.

# Spending Thresholds

- 2018 - Program Waiver
- 2017 Grants - 50% expended by February 28, 2018
- 2016 Grants - 100% expended and have a Pre-Closeout Certificate by February 28, 2019
- 2015 Grants and older - MUST be closed with a Certificate of Completion and Semi-Annual Progress Reports by February 28, 2019
- Open, unresolved findings will impact the app
- Grantee will not be awarded funds if had a grant “terminated for cause” in the last 5 years

# Program Guidelines & Requirements

- Administration costs are restricted up to \$33,000 for housing rehabilitation programs; up to \$28,500 for all other activities
- Program costs are restricted to up to 12% of grant funds for all activities except Public Service activities
- Towns will be limited to one draw per grant per month (Public Facilities Improvement, Public Housing Modernization)
- Draws for non-hard costs should be kept to within a few percentage points of hard costs, cumulatively
- Program Income (PI) threshold: Under CT CDBG program, any revenue generated from revolving loan funds is considered PI, regardless of the amount.



# Program Guidelines & Requirements

- Program Income - up to 8% limit on admin costs, up to 12% limit on program costs per the amount of PI allocated toward a specific activity.
- No more than \$35,000 PI on hand.
- Loan-to-Value Ratio (Rehabilitation Activities) - DOH recommends 90% LTV ratio. DOH consent required before undertaking project above this ratio.
- Pre-Construction and Post-Construction meetings.
- Three-Party Initial Contract Agreement and Final Inspection Agreement - DOH recommends one between the municipality/building inspector/consultant, homeowner, and contractor.
- Provide a copy of the work contract to the building department.

# Program Guidelines & Requirements Cont.

- ▶ Develop a detailed Walk-Away Policy
  - ▶ *\$35,000 per housing unit*
  - ▶ *Lead grant up to \$10,000 for single family project*
  - ▶ DOH consent required if above these limits with justifications
- ▶ Cash Management Methods
  - ▶ Reimbursement method (voluntary)
  - ▶ Project Expenditures (PE) Account
  - ~~▶ Lump Sum Account agreement (DOH authorization reqd.)~~
  - ~~▶ Escrow Account (DOH authorization reqd.)~~
- ▶ Develop uniform criteria for providing loans
  - Zero percent, deferred with varying terms or payment upon transfer
  - Multi-family - investors may be eligible for low interest loans up to 3% with 15 year fix term.
  - Deed restrictions and use restrictions required

# Reminders

- ▶ If you plan to do a survey, you must get permission from DOH prior to doing the survey. All requests for approval must be submitted to DOH by February 8th. Late submissions may be reviewed at the discretion of DOH.
- ▶ Survey Methodology Handbook that outlines the survey requirements is posted on the Web site in a booklet format for your review.
- ▶ Independent surveyor must conduct the surveys
- ▶ The **December 31st quarterly** will be used to determine your PI amounts. This amount is compared to the info in the application.

# Reminders Cont.

Threshold criteria must be met before the application is submitted - *no Request for Payment can come in with the application*

- ▶ FHAP and Section 3 Plan MUST be submitted as part of the application
- ▶ All payment requests must be at DOH for processing no later than February 28, 2019 to meet the spending threshold requirement
- ▶ Budget Extensions - Must demonstrate a need to extend the budget beyond the initial 2 year deadline. Extensions will not be granted without adequate reasons

# Submittals

- ▶ *Submit Environmental Review Electronically*
- ▶ Statements of Findings - Exempt & Categorically Excluded (Not Subject to Part 58.5)
- ▶ RROF/Certifications with Notices

# Additional Information

- ▶ [www.ct.gov/doh](http://www.ct.gov/doh)
- ▶ Application 2019
- ▶ Handbook
- ▶ Financing Plan & Budget
- ▶ Application Exhibits Checklist
- ▶ Application Exhibits
- ▶ Cost Estimate Budget Forms
- ▶ Survey Methodology

# More to come on Program Updates & Guidance

- ▶ Training opportunities
- ▶ Guidance on Desktop Monitoring
- ▶ Request for Payment Documentation
- ▶ CDBG Funds for ADC versus PAC
- ▶ Time and Effort
- ▶ Loan-to-Value Ratio(Rehabilitation Activities)
- ▶ Rehabilitation Standards

Thank You and Good Luck!

