

Frequently asked questions (FAQ's)
2015 Community Development Block Grant Program
Housing Rehabilitation and Home Ownership

Q1. How do I know if my community is eligible to apply for Community Development Block Grant funds?

A1. Eligible applicants for the New York State CDBG program are Cities, Towns, and Villages with a population under 50,000, and counties with populations under 200,000. These are often referred to as non-entitlement communities. Entitlements are those communities that may exceed these population thresholds or that meet other criteria as established by HUD to become an entitlement jurisdiction. For a complete list of eligible communities, please go to: <http://www.nyshcr.org/Programs/NYS-CDBG/EligibleCommunities.htm>

Q2. When are the applications due?

A2. All applications are required to be submitted through CDOL no later than 4:00pm on Friday, September 25, 2015. The CDOL will lock out all users at that time.

Q3. Can the same consultant/subrecipient/grant writer be an authorized as Security Manager for multiple municipalities?

A3. Yes, but be sure that each municipality that is intending on submitting an application through CDOL has authorized the consultant/subrecipient/grant writer as Security Manager.

Q4. Can the requirement for public hearings be met by holding hearings after the application deadline as long as they're held before award?

A4. No. Federal CDBG requirements 24CFR570.486 establish the citizen participation requirements for public hearings. Further, in compliance with the citizen participation requirements established in the New York State Consolidated Action Plan, and is available at <http://www.nyshcr.org/Publications/ActionPlan13/2013.pdf>, which requires that at least one public hearing be held by the unit of general local government **PRIOR** to the submission of the application or the due date, which for the current NOFA for CDBG housing activities, is September 25, 2015.

Q5. Who needs to hold the public hearing?

A5. Federal CDBG requirements at 24CFR570.486 and at 24CFR91.115(e) specify that the public hearing be held by the legislative body that is submitting the application. This can be conducted at a regular board meeting, or can take place during a special meeting, such as a budget hearing or annual organizational meeting.

Q4. Can a committee or department, such as the planning department hold the hearing?

A4. No. For the public hearing to be in compliance with Federal CDBG requirements for citizen participation, the hearing must be held by the legislative body that is authorizing submission of the application. This responsibility cannot be passed on to a committee or agency department.

Q5. Is there a format for the public hearing notice or how the hearing needs to be conducted?

A5. The Office of Community Renewal does not have a specific format, however, the notice should identify the program year and all eligible activities for which funds are being requested. Information provided at the hearing includes, but is not limited to the amount of CDBG funds available, the amount of CDBG funds expected, the range of eligible activities, the estimated amount of CDBG funds proposed to be used to meet the national objective compliance of benefit to low-and moderate income persons, and the identification of any proposed activities likely to result in the displacement. The hearing should also provide technical assistance to groups representative of persons of low-and moderate income that request assistance in developing proposals. Hearings shall be conducted at times and locations convenient to potential or actual beneficiaries, with accommodations for the handicapped, and in a manner to address the potential needs of non-English speaking residents. Hearings must provide residents with reasonable advance notice, and an opportunity to comment on proposed activities. Hearings must also provide citizens with an address, phone number and times for submitting complaints and grievances, which must be responded to within 15 working days, where practicable.

Q6. Can the applicant submit more than one application?

A6. Yes, more than one application can be submitted by an eligible entity, provided the total amount across all applications requested does not exceed the funding cap per activity.

Example 1: a Town desires to submit an application for home ownership at \$250,000 and a second application for a wells and septic replacement program at \$100,000, the combined requested funds in this case is \$350,000, which is below cap of \$400,000 for Towns.

Example 2: the same Town submits an application for \$400,000 for home ownership, and has made a provision within the budget to make housing rehabilitation assistance funds available to the same households that receive homeownership assistance, that is considered to be a single application with two activities.

How many cost estimates and scopes of work have to be provided?

For each activity type, single unit, 2-3 unit, or 4 or more units, wells and septic or lateral connection assistance, at least three (3) cost estimates and scopes of work that are representative of the unit type should be submitted with the application.

Q7. For well and septic replacement programs, if the proposed activity is only addressing wells and septic, does the entire housing unit need to be brought up to minimum HUD or Section 8 Housing Quality Standards?

A7. No, it is not required; however it is important to keep in mind that well and septic replacement is housing rehabilitation, a household can receive assistance for well and septic and also to address other housing needs, such as roof repairs, new heating systems or electrical upgrades.

If assistance is to be limited strictly to replacement of wells and septic, a description of how other housing assistance will be provided, for example, through other funding sources or through a future request of NYS CDBG housing should be included with the application.

If the application is proposing well and septic replacement only, is this exempt from lead based paint compliance?

Well and septic replacement is required to still be in compliance with lead based paint requirements. In some instances, internal plumbing modifications may be required which could disturb lead based paint.

For a lateral connection assistance program, who is eligible to receive assistance?

Lateral connection assistance is treated as a housing rehabilitation program, only individual households that have been determined to be low-and moderate income are eligible to receive lateral connection assistance.

Q8. Is there a maximum amount of CDBG housing assistance that can be provided to a single household or housing unit?

A8. No. There is not a cap on CDBG assistance per unit or per household; this includes mobile home replacement. The application should describe a thoughtful, necessary and rationale approach when determining the amount of CDBG funds proposed per unit. When preparing the application, the total number of units proposed to be completed must take into consideration the amount of assistance that is being proposed to be provided. Mobile home replacement is considered to be housing rehabilitation; it does not require a separate application.

Q9. A program is being developed to offer mobile home replacement assistance, but it will cover three counties. Is this eligible?

A9. Yes, this may be an eligible program. At the local level, one of the three counties needs to be identified as the applicant, however; all three Counties will be required to each hold separate public hearings prior to the submission of the application. The lead or Applicant County will need to enter into memorandum of understandings with the other participating Counties that will allow it to expend funds within their jurisdiction.

Q11. Must a program addressing single-family and multi-family housing rehabilitation be done as two separate applications?

A11. No. Such activities may be combined in a single housing application but distinct budget lines for each activity, and program delivery costs for each, must be separated out. Separate activity detail sheets must be provided for the single-family activity and for multi-family activity with 2-3 units. If multi-family activity with 4 units is proposed, a separate activity detail must be provided for each location at the time of application.

Q12. Are the units that are proposed to receive housing assistance required to be within a designated low-and moderate income target area or can assistance be provided on a scattered site basis.

A12. Assistance can be provided on a scattered site basis or target area provided the awardee is able to demonstrate that the National Objective Compliance of LMH is being met and each household has been determined to be LMI. Scattered site is when funds are made available to any eligible household with the municipality's jurisdiction. A target area is when funds are made available to eligible households in a specific neighborhood, census tract or other area that can be geographically defined.

Q13. Are letters of support mandatory?

These letters are not mandatory. However, letters of support, such as from property owners, local agency and business leaders that show true community support and need for the proposed activity, can help further demonstrate the community's need for the CDBG funds.

If an income survey conducted in 2010 shows an overwhelming need, and created a waiting list of several hundred applicants, how long would this information be valid for?

A13. With regards to types of surveys and re-surveys, this is more of a question of competitiveness. For example; a proposed housing rehabilitation program may have a waiting list of households looking for assistance and that may include some information to show that prospective applicants on the list are income-eligible. We would expect some information to be included to demonstrate, in cases where the information may be somewhat dated, how this information is still relevant; however, it's not a question of eligibility as in the case of a sewer/water project and income survey data. Part of the evaluation in comparing applications is judging the accuracy of the data included and dated data may be viewed as less dependable if there is nothing to support the current relevancy related to the proposed project.

Q10. For a housing program, does the application need to show that an income survey was conducted that shows that at least 51% of the residences are low-and moderate income (LMI)?

A10. No, an area wide income survey does not need to be conducted for a housing assistance activity. Since housing is treated as a direct benefit, households that do

ultimately receive CDBG funds will be required to provide actual income documentation prior to receiving assistance. Therefore, the emphasis here is on the ultimate recipient of CDBG housing assistance. Demonstrating that a community or target area is predominantly low-and moderate income can make for a stronger application. For this type of activity, the application needs to demonstrate that outreach was conducted and that income surveys were conducted that can show that a sufficient pool of income eligible households exists in the project area and that the households have expressed an interest in participating in the program. This should be reviewed as a preliminary list to gauge interest in a housing program.

Q14. Can we use the consultant or subrecipient that wrote the grant or retain other professional services to assist in the administration of a potential CDBG grant prior to award?

A14. Communities that intend to use CDBG resources to pay for professional services must follow federal procurement procedures and provide the Office of Community Renewal with information detailing the procurement process. If you secure the services of consultants before following approved federal CDBG procurement guidelines at 24CFR85.36, costs for such services will not be CDBG reimbursable. The cost for preparing an application is not considered to be reimbursable.

Subrecipients are qualified entities that can act on the behalf of the recipient and undertake the activities proposed in the application. A subrecipient can be a governmental non-profit, such as a housing authority or water district. Private non-profits which are incorporated 501(c)(3) and which can provide specific services in areas such as housing and community development may act as qualified Subrecipients. Lastly, a private for-profit that can carry out special activities like such as housing, may be a qualified Subrecipient. The use of Subrecipients requires that the recipient and subrecipient enter into a Subrecipient Agreement which is in compliance with 24CFR85.40 and 24CFR570.503.

Further guidance on the use of consultants and Subrecipient can be found in the OCR Grant Administration Manual Chapter 1, Getting Started

Q15. When will funding announcements be made?

A15. It is anticipated that funding announcements for the 2015 housing applications will be made by December, 2015. CDBG will not cover pre-award costs and each project must complete required environmental reviews and obtain written clearance from OCR prior to beginning projects or incurring costs, other than for administrative or eligible exempt activities.

Q16. If the application for housing assistance is successful and is approved for funding, how soon can funds be made available to eligible households?

A16. If the application for a housing program is approved, there are several actions that must occur before the municipality has access to the funds. This begins with the issuance of a grant award letter and a grant agreement. The grant agreement must

be executed by the recipient and returned to OCR within 45 days of receiving it. Any special conditions associated with the agreement must be addressed by the Recipient. Once a municipality has received the award notification, the environmental review process can begin. This review will result in the development of an environmental review record (ERR) that has been completed in compliance the National Environmental Policy Act (NEPA) and the New York State Environmental Quality Review Act (SEQRA) which is then submitted to the Office of Community Renewal (OCR). If the ERR is approved, a release of funds will be issued and costs that were subject to environmental review can be incurred. With housing activities, this typically requires an additional level of environmental review referred to as a Tier II or site-specific environmental review. This can include, but is not limited to evidence that a lead based risk assessment has been conducted on the house, the project has been submitted to State Historic Preservation (SHPO) for review and a review of the property to determine if it is potentially in a floodplain. Further guidance on the environmental review process can be found in the OCR Grant Administration Manual Chapter 2 Environmental and Historic Review.

Q17. If the application for housing assistance is for a homeownership program, does it have to be in compliance with lead based paint?

A17. Yes. All housing activities must be in compliance with lead based paint procedures at 24 CFR Part 35 and 40 CFR Part 745. The application must provide a lead based paint plan that explains how these regulations will be complied with.

Are bonus points for poverty still awarded?

Once all applications are received, applicants are ranked from highest to lowest based on percent of persons in poverty and number of persons in poverty, with points awarded on a pro-rated basis.