

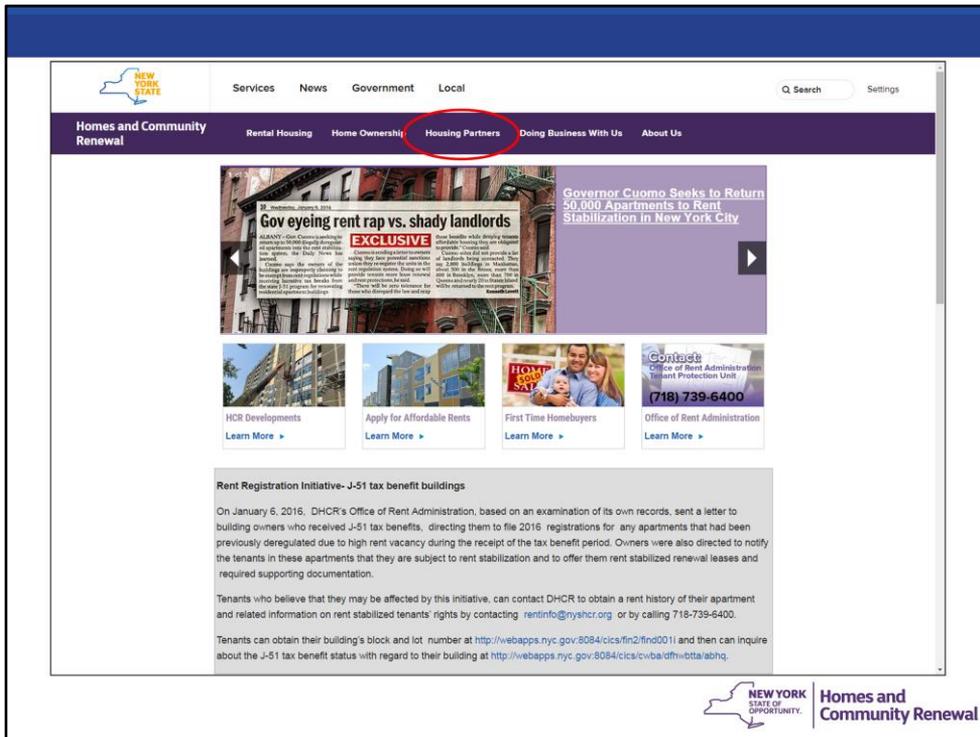


**Homes and
Community Renewal**

Community Development Block Grant

**Grant Implementation Webinar –
Public Water/Sewer/Facilities**

January 19, 2016



Before we begin, the OCR has a new website format that has changed how the CDBG section is accessed. Once on the main HCR website you will first select “Housing Partners.”

The screenshot shows a webpage with a dark blue header. Below the header, there is a search bar containing the text "NYS TCAP information". To the left of the main content area is a large, solid purple vertical bar. The main content area is divided into two sections:

- Developers**
 - Homeownership Development Financing
 - Multifamily Development Financing
 - Low Income Housing Tax Credit Program
 - Multifamily Financing Applications
 - Multifamily Owners & Property Managers
 - Finance Multi-Family Development
 - Neighborhood Stabilization Program (NSP)
- Not for Profit Organizations & Municipalities**
 - Access to Home Program
 - Access to Home for Medicaid Program
 - Access to Home for Veterans
 - Affordable Home Ownership Development Program / Affordable Housing Corporation (AHC)
 - Get a Grant from AHC
 - AHC Grantees
 - Buffalo Main Streets Initiative (BMSI)
 - Greater Catskills Flood Remediation Program
 - National Foreclosure Mitigation Counseling (NFMC)
 - Neighborhood Preservation Companies Program (NPP)
 - New York Main Street
 - **NYS Community Development Block Grant (CDBG)** (circled in red)
 - New York State HOME (HOPE) Program (HOME)
 - Real Property Tax Law § 421-m
 - Residential Emergency Services to Offer (Home) Repairs to the Elderly (RESTORE)
 - Rural Area Revitalization Projects (RARP)
 - Rural Preservation Companies Program (RPP)
 - Urban Initiatives Program (UI)
 - Weatherization Assistance Program (WAP)

In the bottom right corner, there is a logo for the State of New York with the text "NEW YORK STATE OF OPPORTUNITY." and "Homes and Community Renewal".

On the “Housing Partners” page you will then scroll down to Not-for-profit Organizations & Municipalities and then select “NYS Community Development Block Grant (CDBG).”

NYS CDBG Program

General Program Requirements

- Getting Started
- Environmental Review
- General Program Administration
- General Regulatory Compliance Procedures
- Financial Management
- Reporting Requirements
- Procurement
- Labor Standards Compliance
- Project Sign
- Property Acquisition and Management
- Displacement, Relocation and Replacement



Project Specific Requirements

- Public Water/Sewer/Facilities

Prepare for Monitoring

- Recipient Responsibilities

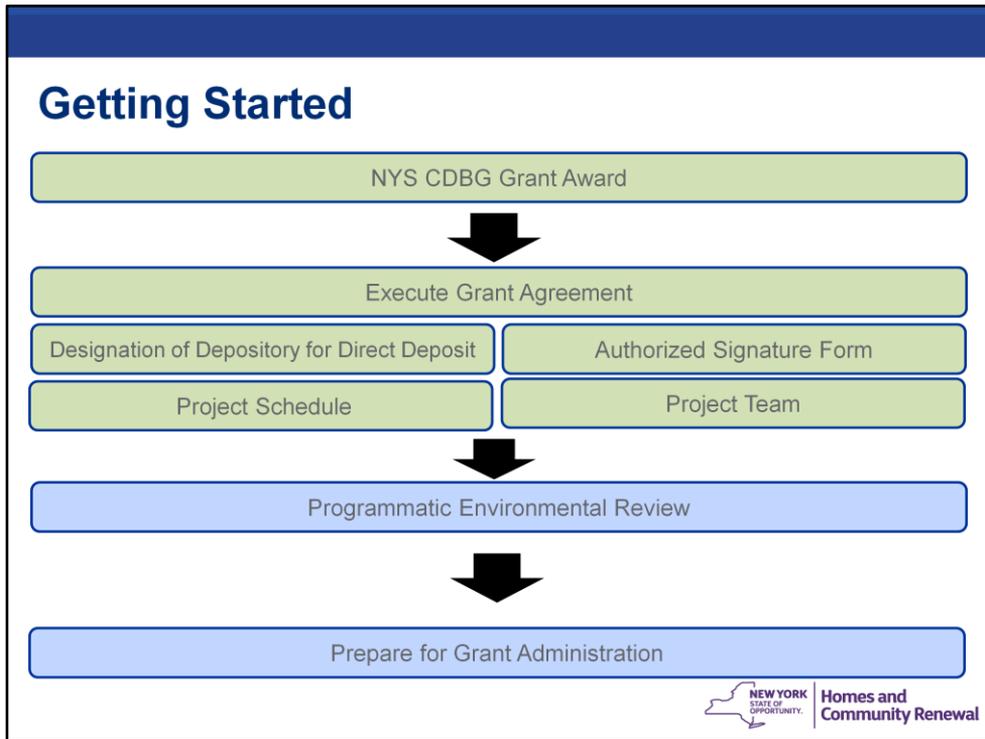
Additional Program Requirements



The program today will begin with the general CDBG program requirements identified here, then the presentation will move on to the project specific requirements.

Getting Started

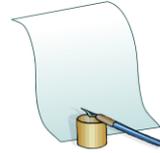




Here is a basic outline of the initial grant administration steps, and what we're about to discuss.

Getting Started

Grant Agreement



Grant agreements are issued following Housing Trust Fund Corporation Board approval.

The grant agreement is a contract between the Recipient and the Housing Trust Fund Corporation and will include:

- Standard terms and conditions for regulatory compliance
- Schedule A
 - Outlines any conditions (such as clarification of activity detail, surveys, financial commitments) that must be met prior to execution of the grant agreement.
- Schedule B
 - Outlines the proposed budget, proposed accomplishments and beneficiaries. May be revised if there are Schedule A conditions.
- Schedule C
 - Outlines the required procedures for completing and submitting the Environmental Review Record (ERR)



Grant Agreement:

- Must be submitted within 45 days of OCR's issuance of the grant agreement.
- Both copies must be signed by the chief elected official.
- Both copies of the grant agreement must be submitted in their entirety, including all schedules.

Schedule A:

- Outlines any conditions (such as clarification of activity detail, surveys, financial commitments) that must be met prior to execution of the grant agreement.
- The grant agreement will not be executed until the Schedule A conditions are submitted and approved by OCR.

Schedule B:

- Outlines the proposed budget, proposed accomplishments and beneficiaries.
- Review the Schedule B and if there are any issues notify your Developer immediately.
- May be revised if there are Schedule A conditions.

Schedule C:

- Description of the environmental review process.

Getting Started

Executing the Grant Agreement

- Must be submitted in its entirety, the due date is **February 1st**.
 - Must be returned within 45 days of being issued by OCR.
 - Must be signed by the Chief Elected Official.
 - Required Documentation:
 - Form 1-1 Authorized Signature
 - Form 1-2 Designation of Depository
 - These documents are needed to electronically transfer funds
 - Form 7-2 Program Schedule
 - Form 8-1 Project Team
 - Schedule A
 - All conditions must be met before a Grant Agreement can be executed.
- ✓ The grant agreement establishes the two year time frame, from the date of award, without a guarantee of extension to expend all funds and report all accomplishments.



Along with both copies of the Grant Agreement, Recipients need to submit four forms:

- Form 1-1 Authorized Signature
 - Must submit the original signatures
- Form 1-2 Designation of Depository Form
 - Must submit the original signatures
- Form 7-2 Program Schedule Form
- Form 8-1 Project Team
- If the grant agreement includes Schedule A Conditions, this must be addressed as well.
- Failure to address the Schedule A Conditions in a timely manner may result in a delay of the implementation of the project.

Grant agreements will not be fully executed until all required documentation is received.

Getting Started

Required Forms

- Form 1-1 Authorized Signature
 - Designates Authorized Signatories
 - These individuals will be responsible for signing the requests for funds.
 - At least one signature of a municipal employee or municipal official required. Cannot be the Chief Elected Official (CEO).
 - CEO must review and sign form **AFTER** designated signatories are determined.

✓ Form 1-1 must be submitted with original signatures.



To complete form 1-1 the designation of authorized signatures the recipient is required to:

- Designate the person or persons that will be authorized to submit request for funds from OCR.
- Two signatures recommended.
- If one signature required, must be a municipal employee or municipal official, however the CEO cannot be a signatory.
- If two signatures required, one may be that of a non-municipal employee, consultant or engineer. **The CEO cannot be an authorized signatory.**
- The person or persons signing the local checks for expenditure of CDBG funds cannot be an authorized signatory.
- CEO must review and sign form AFTER designated signatories are determined.
- The more signatories that are authorized the less likely there will be delays.
- Signatures are verified as part of the request for funds approval process – if a name is changed, please update the form.
- Submit form with the original signature; no photo copies!

FORM 1-1
AUTHORIZED SIGNATURE FORM FOR REQUEST FOR FUNDS

Updated Information

Original Name _____	Project Number _____
Mailing Address _____	Contact Person (Name & Phone #) _____

Requests for Funds requires (check one): ONE Signature TWO Signatures (recommended)

The signature of a municipal employee is required when a non-municipal employee is authorized to sign Requests for Funds.

Persons Authorized to Sign Request for Funds: At least one municipal employee must be authorized to request funds for the above Project Number. Chief Elected Officials cannot be authorized under this rule.

1. _____	Date _____
Signature _____	Title _____
Name _____	Title _____

2. _____	Date _____
Signature _____	Title _____
Name _____	Title _____

3. _____	Date _____
Signature _____	Title _____
Name _____	Title _____

4. _____	Date _____
Signature _____	Title _____
Name _____	Title _____

I certify that the signatures shown above are the legal signatures of those municipal employees authorized to sign requests for NYS 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 later than above dates) _____
Name _____	Title _____

Office of Community Renewal (1/1/2009)

NEW YORK
STATE OF OPPORTUNITY.
Homes and Community Renewal

This is Form 1-1, as indicated, the dates must be different.

Getting Started

Required Forms

- Form 1-2 Designation of Depository
 - Establish a Non-Interest Bearing Checking Account.
 - Must be established to allow for the transfer of NYS CDBG funds to the Recipient.
 - Multiple CDBG projects may go through a single account.
 - Municipality **must** maintain possession of the account including the checkbook and bank statements at all times.
 - Recipients must be the ones to make payments to vendors.

- ✓ Form 1-2 must be submitted with original signatures
- ✓ Refer to OCR GAM Chapter 3 for further guidance on general financial management of NYS CDBG funds.



To complete form 1-2, the designation of depository the recipient is required to:

- Establish a separate non-interest bearing checking account.
- Must be established to allow for the transfer of NYS CDBG funds to the Recipient.
- Must be used for the deposit and disbursement of NYS CDBG funds only.
- Vendors are required to be paid from this account, do not transfer funds to a General Funds Account to pay vendors.
- Do not Co-mingle any non-CDBG funds including local general funds or CDBG program income funds in the same bank account.
- If a current account is established for other CDBG funds, this account may be used for this project. Municipal Account cannot be held by a subrecipient or consultant.
- Municipality must maintain possession of the account including the checkbook and bank statements at all times.
- Submit form with the original signatures; no photo copies!

FORM 1-2
DESIGNATION OF DEPOSITORY FOR DIRECT DEPOSIT OF NYS CDBG FUNDS

SECTION I (To be completed by NYS CDBG Recipients)

Recipient Name	Project Number
Mailing Address	Contact Person (Name & Phone #)

The _____ has been designated as the depository for all funds to be received from the State of New York CDBG Program resulting from Project Number: _____

Name of the Financial Institution

I certify that all NYS CDBG funds shall be deposited in a Separate non-interest bearing account in the name of the recipient at the above referenced financial institution, which is covered by federal deposit insurance.

Signature of Chief Executive Officer _____ Date _____
 Title of Chief Executive Officer _____ Title _____

SECTION II (To be completed by Financial Institution)

Bank Name _____ Branch _____

Routing Number

Account Number

The separate non-interest bearing account identified above has been established with this bank. All necessary documentation, including a power of attorney where necessary, which will enable this bank to receive NYS CDBG funds directly from the State of New York, via an ACH transfer without any endorsement by the payee, has been received and is in this depository's custody. Immediately upon deposit of NYS CDBG funds in the above account, we will notify the Recipient and subsequently provide a copy of the documentation of deposit.

Signature of Authorized Bank Officer _____ Date _____
 Title of Authorized Bank Officer _____ Branch Phone Number _____

Office of Community Renewal (11/2009)



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**Homes and
Community Renewal**

This is Form 1-2, both the signature of the CEO and the bank official must be original on one form.

Getting Started

Required Forms

- Form 7-2 Program Schedule
 - Identification and schedule of major milestones which may include:
 - Environmental review record
 - Release of funds
 - Schedule of construction or purchase of equipment
 - Estimated completion date
 - Description of the expenditure schedule

✓ Refer to OCR GAM Chapter 3 for further guidance on general financial management of NYS CDBG funds.



To complete form 7-2 the program schedule form the recipient will establish:

- The identification and schedule of major milestones which may include:
 - Environmental review record
 - Release of funds
 - Schedule of construction or purchase of equipment
 - Estimated completion date
- Description of the expenditure schedule

FORM 7-2
PROGRAM SCHEDULE

Office of Community Renewal NYS CDBG Program

1. Recipient Name:	2. Project #:	3. Date:	4. Amendment							
5. Project Name:										
6. Effective Date:	7. 1 st QTR	2 nd QTR	3 rd QTR	4 th QTR	5 th QTR	6 th QTR	7 th QTR	8 th QTR		
8. Activity Name and #:										
9. NYS CDBG Funds Allocated for the Activity: \$	10.									
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
11. Milestones:										
12. NYS CDBG Funds Allocated for Administration: \$	13.									
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
14. NYS CDBG Funds Allocated for Program Delivery: \$	15.									
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16. Total NYS CDBG Funds Allocated: \$										
17. Total Amount of Funds Requested (quarterly) \$:		\$	\$	\$	\$	\$	\$	\$	\$	\$
18. Cumulative Total of Funds Requested \$:		\$	\$	\$	\$	\$	\$	\$	\$	\$

(Use additional copies of this form for each proposed activity)

Office of Community Renewal (9/2010)


NEW YORK
STATE OF OPPORTUNITY

Homes and Community Renewal

- Please contact your assigned Community Developer for any questions completing this form.
- All milestones should be included in one schedule.

Getting Started

Required Forms

- Form 8-1 Project Team
 - To complete form 8-1 project team the recipient must identify:
 - Specific local grant contacts as applicable.



Form 8-1 Project Team

1. Municipal Information

Name	Co/CT/V		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL	DUNS		
CDBG #	FY End		

2. Self-Elected Official. (If term is, realize, please provide your contact information)

Name	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

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

Name	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

4. Municipal Clerk

Name	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

5. Municipal Treasurer or Chief Financial Officer

Name	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

6. Municipal Attorney

Name	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

7. Fair Housing Officer

Name	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

Project Team 1 122013

Form 8-1 Project Team

8. Section 3 Coordinator

Name	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

9. Subrecipient
Are activities to be undertaken by a Subrecipient? Yes No To be selected if Yes, complete this section

Name of subrecipient	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

10. Labor Standards Compliance Officer
Will any CDBG activity be subject to State-Based Prevailing Wages? Yes No (If Yes, complete this section)

Name	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

11. Consultant
Will the Recipient retained the services of a Consultant for all or part of any CDBG activity? Yes No To be selected if Yes, complete this section

Name of Firm	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

12. Engineer
Will the Recipient retain the services of an Engineer for all or part of any CDBG activity? Yes No To be selected if Yes, complete this section

Name of Firm	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

13. Lead Based Paint Risk Assessment
Will any CDBG activity be subject to Lead Based Paint Regulations at 24CFR Part 35 and/or 40CFR Part 747? Yes No To be selected if Yes, complete this section

Name of Firm	Title		
Address			
CITY	State	NY	ZIP + 4
Phone			
Fax			
Website			
URL			

Project Team 2 122013


Homes and Community Renewal

This is Form 8-1, it is relatively self-explanatory.

The Local Grant Contact must be a municipal employee other than the CEO.

For the subrecipient, only provide this if it is a true sub-recipient relationship, i.e. with a sub-recipient agreement in place.

This will be updated with the Annual Performance Report

All applicable Team Members must be provided, regardless of the source of funds or activity.

All CDBG funded projects are required to identify a Fair Housing Officer and Section 3 coordinator, by board resolution, regardless of the activity that is being undertaken.

Fair Housing Officer should not be a consultant, Section 3 coordinator is required and can be appointed by board resolution at any time.

Environmental Review



Environmental Review

Establish the Environmental Review Record (ERR)

The ERR may be comprised of one or more of the following:

- Form 2-1 Designation of Certifying Officer
- Form 2-3 Certification of NEPA Classification
- Form 2-3A Certification of SEQRA Classification
- Form 2-4 NEPA Classification Checklist
- Form 2-5 Statutory Checklist
- Form 2-5A Statutory Checklist - *For exempt projects only*
- Form 2-6 Environmental Assessment
- Exhibit 2-10 Early Notice and Public Review of Proposed Activity in the 100 year Floodplain
- Exhibit 2-11 Final Notice and Public Explanation of Proposed Activity in the 100 Year Floodplain
- Exhibit 2-3 Notice of Intent to Request Release of Funds (NOIRROF)
- Exhibit 2-4 Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds (FONSI/NOIRROF)
- Form 1-3 Request for Release of Funds (FINAL STEP!)



Recipients must submit the Environmental Review Record (ERR) within 90 days of award, if there will be delays notify your Developer. The ERR must address the entire project, not just the CDBG funded portion.

The ERR includes:

- Designation of a Certifying Officer
 - Should be done by resolution
- Project Description
- National Environmental Policy Act (NEPA) designation (Forms 2-3, 2-4, 2-6)
 - Exempt activities
 - Categorically excluded A activities
 - Categorically excluded B activities
- State Environmental Quality Review Act (SEQRA) designation (2-3A and 2-5 or 2-5A)
 - Type I Action
 - SEQR Long Form required
 - Must provide copy of Environmental Notices Bulletin (ENB)
 - Type II Action
 - Comply with 6NYCRR Section 617.5
 - Unlisted Action
 - SEQRA Short Form required
 - For SEQRA short and long forms, please be sure to use the updated forms available from the DEC website.

- Any other applicable notices, such as the floodplain notices and the release of funds.

ERR must include all activities related to the project regardless of funding sources (such as ESD, EFC, USDA).

All costs related to Construction, Program Delivery or other non-Exempt activities **cannot be incurred** prior to Release of Funds.

If the project is an Unlisted or Type I activity under SEQRA, OCR requires a coordinated review and the Recipient should make contact with OCR as soon as possible for its consent for the Recipient (or other Involved Agency) to act as Lead Agency.

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.

The environmental review must be completed and submitted to OCR and a Release of Funds or Concurrence Determination received prior to requesting any funds from OCR. For projects requiring a request for release of funds, the Recipient must receive a Release of Funds from OCR prior to incurring any costs for non-exempt activities such as construction.

- ✓ The ERR can be submitted electronically, with the exception of Form 1-3 which **must** be submitted with an original signature.
- ✓ Refer to OCR GAM Chapter 2 for further guidance on Environmental Review.

Environmental Review

Conclusion of Environmental Review Record

- Non-exempt costs cannot be incurred prior to written release of funds or concurrence is received from OCR.
- Request for Funds will not be processed until the ERR is completed and a Release of Funds or a Concurrence letter is issued by OCR, even for exempt costs.
- The ERR applies to the entirety of a project, not just to the CDBG portion of it.
- Undertaking any choice limiting actions prior to the release of funds may jeopardize recipients CDBG funds

✓ Please contact your developer as you plan to prepare the ERR and



As you can see, undertaking any choice limiting actions prior to the release of funds may jeopardize recipients CDBG funds. Choice limited actions include signing construction contracts before the Release of Funds has been received, for example.

The OCR will be conducting a webinar on completing the Environmental Review Record in compliance with NEPA and SEQR in the near future.

General Program Administration



General Program Administration

Establish Administrative File Maintenance

- Establish the files for the project as soon as possible per the OCR Grant Administration Manual and the labels on the OCR website.
- Labels and instructions can be found at:
 - <http://www.nyshcr.org/Forms/NYS-CDBG/>
 - Public Facilities - http://www.nyshcr.org/Forms/NYS-CDBG/PF_Labels.pdf



Administrative File Maintenance

Recipients must establish the files for the project as soon as possible per the OCR Grant Administration Manual and the labels on the OCR website. The file labels are located at <http://www.nyshcr.org/Forms/NYS-CDBG/>.

- If you're not sure what needs to be included in a file, contact the assigned Community/Economic Developer.

General Program Administration

Establish Third Party Responsibilities

- Consultants/Engineers
 - Must have written agreements in place
- Subrecipients
 - Subrecipient Agreement must be submitted to OCR
 - Not for profit does not always equal subrecipient
- Intergovernmental Agreement
 - Any Intergovernmental Agreement must be submitted to OCR.
 - Do not confuse Intergovernmental with Subrecipient



Third Party Responsibilities

Recipients must establish a Policies and Procedures Manual, which outlines the responsibilities of all involved parties including third parties and municipal employees.

Consultants/Engineers

- Must be retained in compliance with federal procurement policy at 24CFR85.36.
 - Consultants must be retained through an RFP
 - Engineers should be retained through an RFP or an RFQ.
 - Do not use a Request for Qualifications (RFQ) for the selection of a consultant; the RFQ is restricted to procurement for architect and engineering services.
- A written contract must be signed which outlines all of the responsibilities of each party.
- Ultimate responsibility falls on the Municipality so be aware of what your consultant/engineer is required to provide.
- Consultants already under contract – contact your developer to determine if it meets the procurement requirements; may need to procure again.
- Develop oversight measures to be sure consultant/engineer is performing according to contract/scope of work.

Subrecipients

- 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.

- Can be designated.
 - Non-profit does not equal subrecipient.
 - Funds must flow through a subrecipient, if not then they fall under consultant and procurement is required.
 - Must have a written subrecipient agreement – must be submitted to OCR prior to first draw for services.
 - Recipients must conduct a monitoring of all subrecipients. At a minimum, at least one formal monitoring must be conducted and a formal report issued.
- Ultimate responsibility falls on the Recipient, so be aware of what the subrecipient is required to provide.
- Consultants cannot act as subrecipients.
- Refer to OCR GAM Chapter 1 Getting Started for further guidance on using a subrecipient.

Intergovernmental Agreement

- Should be in place when working with a local governmental agency such as the County Planning Office or Sewer and Water Authority.
- Submit to OCR for compliance with CDBG regulations prior to first request for funds

General Regulatory Compliance Procedures



General Regulatory Compliance

All Recipients of CDBG funds must maintain evidence of the following:

- Civil Rights
- Fair Housing
- Section 504
 - Exhibit 5-13 Sample Notice Under the Americans with Disabilities Act
 - Exhibit 5-14 Sample Grievance Procedure Under the Americans with Disabilities Act
 - <http://www.nyshcr.org/Forms/NYS-CDBG/GAMChapter5.pdf>
- Section 3
- Conflict of Interest
- Designation of Fair Housing Officer



These requirements apply to ALL projects, regardless of the type of activity

Civil Rights

- Must maintain evidence on Recipient Employment and Project Beneficiaries.
- EEO documentation in personnel policies/procedures.
- Must maintain records of Race, Income, Female Head of Household Status, Handicap Status, Age for employees and beneficiaries of CDBG funds.

Fair Housing

- Appoint a Fair Housing Officer, should be done by resolution
- Establish procedures to affirmatively further Fair Housing (fair housing plan, posters etc.)
- Provide documentation in project files of specific efforts to affirmatively further fair housing
- Consultants should not be selected as the Fair Housing Officer.

Section 504

- All municipalities were required to conduct a self evaluation with the passage of ADA, keep a copy in the project files.
- Document any changes you have made to facilities or procedures to ensure accessibility by handicapped persons including physical, mental, hearing, or visual impairments

- Establish written grievance procedures
 - ✓ Designate an ADA Coordinator
 - ✓ Applies to Recipients with 15 or more employees
 - ✓ Recipients with 50 or more employees must demonstrate that the grievance procedure has been published
 - ✓ Grievance procedure covers all residents of the municipalities

Section 3

- If the CDBG award is \$200,000 or more,
 - ✓ The hiring of employees to work on the project is subject to Section 3 requirements.
 - ✓ If the Recipients enter into contracts, either prime or sub, of \$100,000 or more are also subject to Section 3 requirements.
 - ✓ Must make every effort to ensure Section 3 business concerns and residents are afforded the opportunity to bid on the project or be hired for the project.
 - ✓ Section 3 business concern – businesses that are 51% owned by Section 3 residents; at least 30% of the full-time permanent employees are Section 3 residents; or businesses that provide evidence of a commitment to subcontract more than 25% of the dollar amount to businesses that meet the definition of a Section 3 Business Concern.
 - ✓ Section 3 Residents – Residents of public housing or individuals that reside in the metropolitan area or non metropolitan county in which the Section 3 covered assistance is expended and whose income do not exceed the local HUD income limits for low or very low-income households.

Conflict of Interest

- Maintain a copy of the local conflict of interest policy with the project files
- Procurement is a prohibited conflict
 - ✓ If determined that there is the appearance of conflict of interest according to 24CFR570.489(g) and (h) and 24CFR85.36(b)(3) then the recipient cannot enter into a contract funded by CDBG with the firm or person.
 - ✓ If determined that there is the appearance of conflict of interest in providing assistance to beneficiaries
 - ❖ Recipient must submit a written request for a waiver to any potential conflict of interest PRIOR to undertaking any action
 - ❖ Requests for a waiver after assistance has been provided will not be considered
 - ❖ Determination issued by municipal Attorney
 - ❖ A request for a waiver to an apparent conflict of interest must be approved by OCR

General Financial Management



Financial Management

Guidance for General Financial Management

- General Financial Management
- Accounts Management/Documentation
- Program Delivery vs. Program Administration
- Indirect vs. Direct Costs
 - If Subrecipients charge indirect costs, an Indirect Cost Allocation Plan is required.
- Program Income

✓ Refer to OCR GAM Chapter 3 for further guidance on general financial management.



General Financial Management

- Maintain all appropriate financial records per the General Municipal Law and in accordance with NYS Audit & Control for Municipalities.
- Municipality is responsible for the expenditure of funds – not consultant or sub recipient, this includes mailing payments to vendors.
- NYS CDBG funds are drawn down from OCR as costs are incurred and funds must be expended within 3-5 days of funds being deposited into designated account. Payment must go directly to beneficiaries and/or vendors and cannot be transferred to another account.
- Expended funds refer to the direct payment of NYS CDBG funds to the vendor identified on 1-4A Disbursement Summary.
- If prepaying project costs through local funds, do not transfer any local funds into the NYS CDBG account. When NYS CDBG funds are deposited into the account, show the transfer to the local funds for reimbursement.
- If project costs are being prepaid with local CDBG program income, those costs are no longer eligible for CDBG reimbursement.

Accounts Management/Documentation

- Must document expenditure of funds from contracts to invoices, to requests for funds, to deposit of funds, to transfer of funds, to cancelled checks for payment.
- Recipients must maintain control of the CDBG account

Program Delivery

- These are generally costs that can be attributed directly to the delivery of the specific proposed activities, also known as the “costs to get the money on the street.”

Program Administration

- Generally, these are administrative costs associated with salaries, wages, and related costs of the grant recipient’s staff, the staff of local public agencies, or other staff, including consultants and subrecipients engaged in program administration for the awarded NYS CDBG grant award

Indirect vs. Direct Costs – If municipality or subrecipient is billing for administrative services

- Indirect – require a cost allocation plan that must be submitted prior to the request for administrative funds. Items not allowed – dues, subscriptions, non-CDBG related conferences. These would need to be charged as direct costs, if attributable to CDBG projects.
- Direct – costs directly related to administration/program delivery of the awarded CDBG project – staff time, travel costs related to the project, etc.

Program Income

- If program income has been received from prior NYS administered CDBG or HUD administered CDBG programs, Recipient must submit a Program Income Plan to OCR.
- Must use program income prior to requesting project/activity funds from OCR.
- Cannot use CDBG funds to reimburse any program income funds used on a project regardless of the intended use of the program income.
- Program Income must be maintained in a separate, interest bearing checking account.
- Recipients must report on any program income received in the Annual Performance Report (APR)

For further guidance on financial management, please refer to Chapter 3, Financial Management of the OCR GAM

Reporting Requirements

Reporting Requirements

Types of reporting requirements

- Annual Performance Reports (APR) – **Due January 10th**
 - Form 3-2, for all public infrastructure and facility activities
- Project Status Reports – **Due July 10th**
 - Form 3-4



Annual Performance Reports

- Due every year on January 10 regardless of whether or not accomplishments are being reported.
- The APR is to report on the prior year's activity only, it is not a cumulative report, do not include previously reported data.
- The APR is specific to the activity being undertaken
 - Form 3-1 is only for housing activities
 - Form 3-2 is only for public infrastructure and public facility activities
 - Form 3-3 is only for Economic Development, Small Business and Microenterprise Activities

Status Reports

- Due every year on July 10.
- The status report is a mid-year snapshot that should reflect overall project status

Reporting Requirements

Types of reporting requirements – Cont.

- Federal Assistance Expenditure Reports – Due 60 days after the end of the fiscal year
 - Form 9-1
- Single Audits – Due 9 months after the end of the fiscal year



Federal Assistance Expenditure Reports

- Due 60 days after the end of a Recipient's fiscal end date and is a report to determine whether or not a Recipient expended \$750,000 or more in **ALL** Federal funds (not just CDBG).

Audits

- May be required if more than \$750,000 from **ALL** sources of Federal funds were expended in a Recipient's previous fiscal year; due 9 months after the fiscal end date.
- If the audit is submitted to the Federal Clearinghouse, the OCR does not receive a copy, you are responsible for directly submitting the audit to the OCR.

New Single Audit Requirements

- The Single Audit threshold has been raised from \$500,000 to \$750,000 effective December 26, 2014
- This will apply for Fiscal Years that begin on or after that date.
- For example, most Counties have Fiscal Year end dates of 12/31, in that case, the County fiscal year that begins 1/1/2015 will be subject to the higher threshold amount.

Reporting Requirements

Types of reporting requirements – Cont.

- Labor Standards Enforcement Report – Due in April and October
- Minority and Women's Business Enterprise – Due November 15th
- Section 3 Reporting – Due Late January



Labor Compliance Report

- This is a semi-annual report which tracks compliance with Davis-Bacon Federal Prevailing Wages
- Any project determined to be subject to Davis Bacon must submit the report
 - Reporting Periods are
 - April 1 to September 30
 - Report is due no later than October 10
 - October 1 to March 31
 - Report is due no later than April 10

Minority and Women's Business Enterprise and Section 3 Reporting

- Reports are currently issued by the Fair and Equitable Housing Office

Procurement

Procurement

Types of Procurement

- Small Purchase
 - Procurement methods for securing services, supplies, or other property that do not cost more than \$100,000 in the aggregate.
 - Price or rate quotations shall be obtained from an adequate number of qualified sources.
 - Should not be used for retaining the professional services of an architect, auditor, engineer or consultant for your NYS CDBG project.



Maintain a copy of the local procurement guidelines with the project files.

If the federal and local policies have different standards, the stricter of the two policies prevails.

- For example, Federal procurement has a threshold of \$100,000 for Small Purchase, however, most municipalities in NYS have lower thresholds for this.
- If the local threshold for small purchase is lower, that must be followed.

Small Purchase

Those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$100,000 in the aggregate, again, **MUST FOLLOW LOCAL PROCUREMENT!**

- Price or rate quotations shall be obtained from an adequate number of qualified sources.
- **This should not be used for retaining the professional services of an architect, auditor, engineer or consultant for your NYS CDBG project.**

A cost analysis must be provided including the projections of the data, and the evaluation of the specific elements of costs and profits.

Procurement

Types of Procurement

- Sealed Bids
- Competitive Proposals
- Non-competitive/Single-Source



- ✓ Bid documents for PF/PI projects must be sent to and reviewed by your developer in to determine compliance with Federal Procurement at 24 CFR85.36
- ✓ All procurement **must** also be in compliance with local procurement policy. If the Federal Policies and the recipient's Policies contradict each other, you **must** use the stricter of the two.



Sealed Bids

Bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest price. The sealed bid method is the preferred method for procuring construction

Competitive Bids

The phrase “procurement by competitive proposals” is often used interchangeably with the frequently used term “Competitive Negotiation.” This method of procurement is generally used when conditions are not appropriate for the use of sealed bids. The method for soliciting competitive proposals is the publication of a Request for Proposal (RFP). Procurement by competitive proposals is the appropriate procurement procedure for retaining professional services such as an architect, auditor, or engineer for your NYS CDBG project.

When a Recipient receives only one response to a competitive solicitation, the procurement process should be reviewed by OCR to determine whether it was unduly restrictive or tailored to a particular contractor or supplier. The burden of proof will be on the Recipient to demonstrate that it made reasonable efforts to assure maximum open and free competition and that its procurement procedures did not have the effect of unnecessarily restricting competition.

Noncompetitive/ Single Source Proposals

Noncompetitive negotiation is procurement through solicitation of a proposal from only one source or, after solicitation of a number of sources; competition is determined to be inadequate.

Procurement by noncompetitive proposals may be used only when the award of a contract is unfeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- The items or services required are only available from a single source;
- A public emergency exists such that the urgency will not permit a delay beyond the time needed to employ one of the other authorized procurement methods;
- After solicitation from a number of sources, competition is determined to be inadequate, and OCR authorizes the noncompetitive method. In all cases, noncompetitive negotiation which will involve NYS CDBG funds must have prior approval from OCR. Recipients must contact the assigned Community Developer.

A cost analysis must be provided including the projections of the data, and the evaluation of the specific elements of costs and profits.

Procurement

Contract Requirements

- Bonding Requirements
 - All construction contracts in excess of \$100,000 must include provisions for bid, performance and payment bonds.
- Contract Provisions
 - Exhibit 4-1
 - Contains specific contract provisions that may apply to the contract that the Recipient or sub-recipient is entering into.
- Minority and Women's Business Enterprises (M/WBE)
 - Contact ESDC at <http://www.esd.ny.gov/MWBE.html> for the purpose of developing a list of M/WBE firms and conducting a direct outreach or solicitation to these firms.
- Section 3 Rider
 - Must be included in its entirety.

✓ Refer to OCR GAM Chapter 4 for further guidance on procurement standards.



Bonding Requirements

This is mandatory for all construction contracts in excess of \$100,000

- 5% Bid Bond, 100% Performance Bond, 100% Payment Bond
 - Failure to adequately secure all three bonds PRIOR to executing contracts may result in project costs being deemed ineligible for NYS CDBG reimbursement.

Contract Provisions

The OCR GAM, Chapter 4, Exhibit 4-1 provides a list of required contract provisions.

- The Recipient is responsible for ensuring that the appropriate provisions are included in all procurement.

Minority and Women's Business Enterprises (M/WBE)

- Recipient must demonstrate that a good faith effort to solicit M/WBE firms. This shall include a statement in all IFB's, RFP's and RFQ's that states "Municipality Name strongly encourages Minority and Women's Business Enterprises to apply"
- Contact ESDC at <http://www.esd.ny.gov/MWBE.html> for the purpose of developing a list of M/WBE firms and conducting a direct outreach or solicitation to these firms.
 - Reporting on M/WBE is required of all Recipients of NYS CDBG funds.

Section 3

- For any contract in excess of \$100,000, Recipients must ensure that Section 3 Business concerns are solicited and that attempts are made to hire Section 3 residents for any new hires.
- Reporting on Section 3 is required of all Recipients of NYS CDBG funds.

Labor Standards Compliance



Labor Standards Compliance

General Labor Standards Requirements

- Davis-Bacon - applicable to any construction projects over \$2,000 in total cost.
 - Refer to the 8 Step Labor Standards Administration.

 - Compliance
 - Labor Standards Compliance Officer.
 - Federal wage decisions obtained from www.wdol.gov.
 - Included wage rates in bid specifications.
 - Maintain copies of weekly payroll verified.
 - Conduct appropriate number of employee interviews.
- ✓ Refer to OCR GAM Chapter 5 for further guidance on labor compliance.



All bid specifications for construction must be submitted to the assigned developer for compliance review with CDBG regulations prior to releasing the project for bid, this must occur prior to requesting any NYS CDBG funds for construction activities.

Davis Bacon

- Applicable to construction projects over \$2,000
- Applicable wage rates must be included with all bid specifications
- Reporting on Davis-Bacon compliance will be required of all Recipients of NYS CDBG funds.

Compliance

- Designate a Labor Standards Compliance Officer
- Obtain Federal wage decisions from www.wdol.gov and submit copies to OCR, when subject to both State and Federal prevailing wages, use higher of the two wages and document
- Include labor standards compliance information including wage rates in bid specifications – Submit copy to OCR
- Maintain copies of weekly payroll verified and signed by the Labor Standards Compliance Officer and conduct appropriate number of employee interviews, complete interviews on Form HUD-11, www.hud.gov/offices/adm/hudclips/forms/files/11.doc.

Project Sign

Project Sign

Project Signs

- OCR requires a project sign at the site of all construction projects which involve more than \$50,000 in NYS CDBG funds.
 - The cost associated with meeting this requirement is an eligible expense and may be charged as a construction or an administrative expense.
- Sign Specs
 - <http://www.nyshcr.org/Funding/SignSpec/>
- Take a picture of the project sign to keep in the project files.

✓ Refer to OCR GAM Chapter 5 for further guidance on the project sign



- OCR requires a project sign at the site of all construction projects which involve more than \$50,000 in NYS CDBG funds. Above is the link to the CDBG sign specification.

Property Acquisition and Management



Property Acquisition

Property Acquisition and Management

- Applies only when the Recipient, in this case, the local government, directly purchases:
 - Real Property
 - Equipment



Recipients are responsible for any property acquired in whole or in part with NYS CDBG funds. Recipients must:

- Maintain a physical inventory of all property, both real property and equipment;
- Reconcile property records at least once every two years;
- Maintain a control system to ensure safeguards to prevent loss, damage, or theft of property. Any loss, damage, or theft must be investigated;
- Develop adequate maintenance procedures to keep property in good condition; and
- Establish proper sales procedures that will ensure the highest possible return when the sale of real property is necessary.

Displacement, Relocation and Replacement

Displacement and Relocation



Displacement and Relocation Assistance

- Anti-Displacement and Relocation Assistance Plan
 - Required for any project that has the potential to cause displacement, relocation or replacement (i.e. HR projects).

- ✓ To ensure compliance with the Uniform Relocation Act, recipients should reference the HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition (http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/cpd/13780) and 49 CFR Part 24 for detailed information on the specific displacement, relocation and acquisition requirements.

- ✓ Refer to OCR GAM Chapter 5 for further guidance on property acquisition and management.



Recipients who undertake NYS CDBG-assisted activities that involve displacement, permanent relocation, demolition or conversion of residential units occupied by low-income households are responsible for complying with all regulations under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act), and Section 104(d) of the Housing and Community Development Act of 1974, as amended, and all implementing regulations.

The primary purpose of these laws is to ensure that when NYS CDBG-funded projects result in the demolition or conversion of units, all affected persons receive the proper relocation assistance and benefits. The acquisition requirements of the federal relocation and acquisition regulations apply in most instances, including when a property is acquired by a nonprofit or for-profit entity that has received a loan or grant from your NYS CDBG project.

- ✓ For clarification please contact OCR

Project Specific Requirements

- Public Water/Sewer/Facilities

Public Water/Sewer/Facilities

Public Facilities Policies and Procedures

- Program Implementation Plan
 - Establish a program implementation plan that outlines responsibilities of all involved parties.
- File maintenance
 - Follow the guidance provided, recommended file labels are provided on the OCR website at http://www.nyshcr.org/Forms/NYS-CDBG/PF_Labels.pdf
- Eligibility Requirements and Approved Project Design
 - Documentation of the uses of all NYS CDBG funds involved in the project to ensure that CDBG funds are expended only on eligible uses.
 - Plans and specifications must be submitted to OCR for compliance review prior to going out to bid.



Public infrastructure generally refers to sewer, water, storm drain or other public improvements.

Public facilities generally refers to health clinics, day care facilities, senior centers and community centers.

Setting up a clearly defined program implementation plan now could help avoid problems down the road.

The file maintenance labels are provided to assist with both the implementation of the project, but also, good record keeping. Not all files will apply in all cases. Review the instructions or contact your assigned Community Developer with any questions.

Following the file maintenance outline will greatly assist with the project monitoring.

Prior to putting the project out to bid, the specifications must be submitted to the assigned Community Developer for compliance review with NYS CDBG program requirements.

Failure to submit the plans for review may result in some costs being deemed ineligible for CDBG reimbursement.

Public Water/Sewer/Facilities

Public Facilities Policies and Procedures, cont.

- National Objective Compliance
 - LMA: Low/Mod Area Benefit.
 - Service Area must be 51% low- and moderate- income.
 - LMC: Limited Clientele Benefit
 - Elderly persons, disabled adults, etc.
 - Removal of architectural barriers
 - Maintain Evidence in Project Files:
 - Income Survey
 - Census Data
- OCR Site Inspection
 - Project activities completed as indicated in application for assistance.
 - Required elements documentation:
 - Project Sign
 - Wage rates posted at work site
 - Labor posters, etc.



At the time of application, all public infrastructure and facility projects met National Objective Compliance by demonstrating that at least 51% of all beneficiaries are low- and moderate income.

This was demonstrated through an income survey or census data.

If an income survey was utilized to demonstrate eligibility, the Recipient is **required** to retain the surveys and must be able to produce all surveys at the time of monitoring, this is the only evidence that exists that the project is eligible for NYS CDBG assistance.

Failure to produce the surveys may result in all costs being deemed ineligible use of funds, and all expended funds may be subject to recapture.

At the time of monitoring, OCR will conduct an on-site inspection to review the work that has been completed, this must be consistent with all activities described in the application.

The Recipient must maintain evidence that a project sign was on-site, and that all applicable wage rates and required labor posters were posted. The best way to document this is by taking pictures.

Lateral Connection Assistance

➤ Form 1-4B Housing Assistance Summary Form

**FORM 1-4B
HOUSING ASSISTANCE SUMMARY FORM**

Section I – CDBG Recipient Information

Recipient Name: _____ CDBG # _____

Section II – Housing Unit Information

Street Address: _____ Section-Bldg-Lot _____
 City: _____ NY ZIP + 4 _____
 Total Number of Housing Units in Building: _____ SWIS CODE _____
 Applicable Lead Paint Requirement: Pre-1978 ☐ Post-1978 ☐ (Observed Damage ☐ (Explain below) _____
 Date of Lead Based Paint Risk Assessment (if applicable): _____
 Date of Lead Based Paint Clearance (if applicable): _____
 Fund Request for Funds for this site? Yes ☐ No ☐ If yes, Project Completion Date: _____

Section III – Project Cost Information

Use of Funds	Source Of Funds				
	SWIS/CDBG	HOME	State/Other	Owner/Other	Subtotal
Housing Rehabilitation (SI)					\$0.00
Housing Rehabilitation (MI)					\$0.00
Mobile Home Replacement					\$0.00
Well-Sealed Latent					\$0.00
Homeownership					\$0.00
Change Orders (OCR Approved)					\$0.00
Total Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Requested This Disbursement					\$0.00
Less Retainage (if applicable)					\$0.00
Total Prior Requested					\$0.00
Balance to Completion	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
% of Total Project Cost					

Section IV – Prepared by

Name: _____
 E-Mail: _____
 Phone: _____ Date: _____

Form 1-4B (Housing Disbursement Summary) 12/2015



Newly implemented is Form 1-4B, the Housing Assistance Summary Form. This form identifies the individual units receiving CDBG grant funds and the amount of funds. These forms must be submitted with every drawdown, one for each building being assisted with lateral connection assistance.

Preparing For Monitoring

Preparing for Monitoring

Recipient Responsibilities

- Prior to the monitoring visit, complete and return the pre-monitoring checklist provided by OCR.
- Maintain complete and detailed records for every aspect of administration and program implementation.
- Organize the files according to the File Maintenance section of the Grant Administration Manual.
- Prior to the monitoring visit, review the appropriate sections of the Grant Administration Manual, including project specific sections.
- Provide access to all applicable program files and financial records.
- Ensure that all pertinent staff are available to address any questions.
- Contact property owners in advance to schedule site visits on the day of the monitoring. Community/Economic Developers will provide a list of the properties they wish to visit.

✓ Recipients are responsible for subrecipient files



- The OCR will contact the Recipient when the project appears to be ready for monitoring. For most projects, this will be after approximately 65% of the CDBG funds have been expended.
- Once the monitoring date is established, OCR will confirm the monitoring in writing and will provide a monitoring checklist that should be completed and returned to the OCR.
- This list is a very preliminary schedule of items that may be reviewed at monitoring.

Preparing for Monitoring

Recipient Responsibilities, Cont.

- Monitoring of Subrecipients/Consultants
 - Recipients are required to monitor any third party that assists in project administration and generate a monitoring report.
 - Maintain documentation of monitoring of the business and third parties, if applicable, in the project file.
 - Subrecipient monitoring reports must be submitted to the OCR.

✓ Recipients are responsible for subrecipient files



Monitoring of Subrecipients/Consultants:

- Recipients are required to monitor any third party that assists in project administration
- Meet regularly
- Document the monitoring process

Additional Program Requirements

Additional Program Requirements

Second Public Hearing

- A Second Public Hearing must occur during the grant administration process
 - Notice must be provided in newspaper

✓ Contact your assigned Community Developer for draft public hearing language.



Participation requirements at 24 CFR 570.486 and New York State’s Citizen Participation Plan, require Applicants to follow a citizen participation plan providing for a minimum of one public hearing prior to the submission of an application for funding and one public hearing to be held during the administration of the grant to solicit comments on the effectiveness of the program’s administration.

Public notice must be provided before public hearings are held. Notice of each public hearing should be published at least once in a newspaper of general circulation in the community at least seven days prior to the hearing.

Additional Program Requirements-Certification

- Identify and remediate environmental hazards
- Minority and Women-Owned Businesses (MWBE)
<http://www.esd.ny.gov/mwbe.html>
- Title VI of the Civil Rights Act of 1964. As amended (42 U.S.C. 2000d et seq.)
- The Fair Housing Act (42 U.S.C. 3601-3620)
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101)
- Affirmative Marketing
- Americans With Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, 225)
- Section 3 of the Housing and Urban Development Act of 1968
- Davis Bacon Related Acts



Here are some additional program requirements you should read about and become familiarized with. They are very important when implementing a project.

Recipients are strongly encouraged to contact the assigned Community/Economic Developer at any time with program questions.

✓ Reminder: CDBG funds are Federal funds, as such, federal rules and regulations apply

Questions?

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

Please visit the OCR website at:

<http://www.nyshcr.org/Programs/NYS-CDBG/>

