

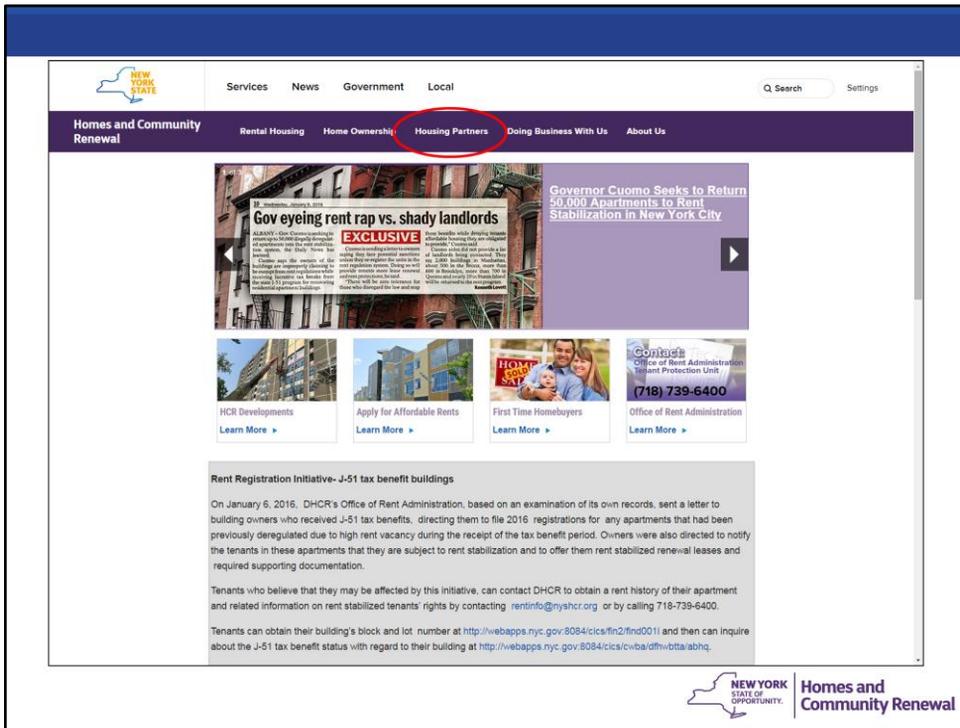


**Homes and
Community Renewal**

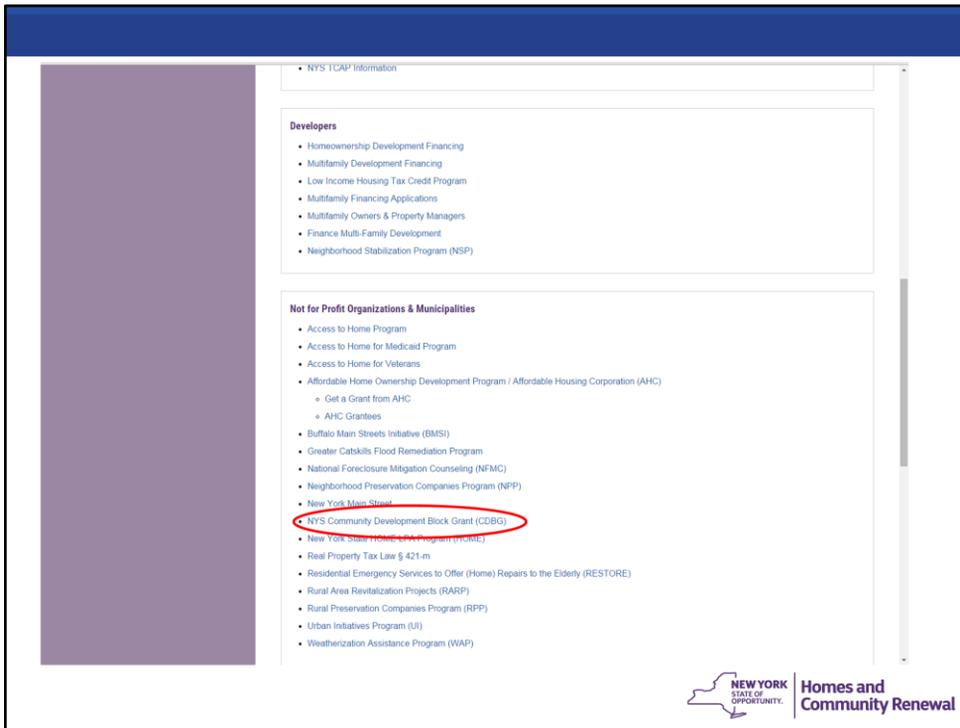
Community Development Block Grant

**Grant Implementation Webinar –
Housing Rehabilitation, Homeownership,
Manufactured Housing and Wells & Septic**

January 21, 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.”



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
- Property Acquisition and Management
- Displacement, Relocation and Replacement
- Manufactured Housing



Project Specific Requirements

- Housing Rehabilitation
- Home Ownership

Prepare for Monitoring

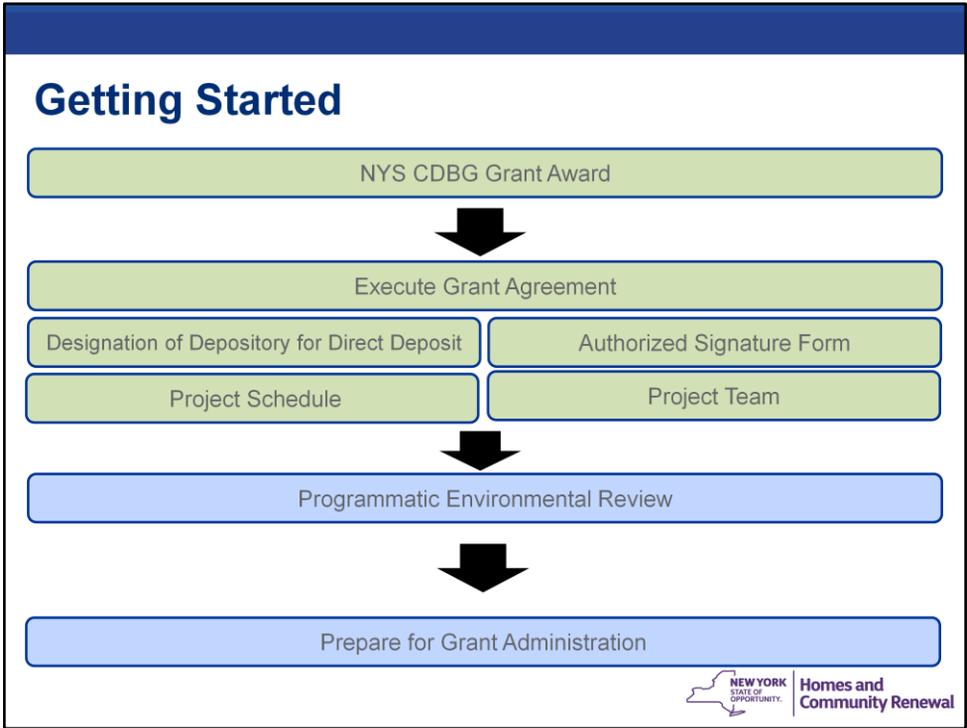
- Recipient Responsibilities

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 for housing projects

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 4th**.
 - 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
 - Form 5-1 Lead Based Paint Compliance Certification (rehabilitation) or
 - Form 5-2 Lead Based Paint Compliance Certification (acquisition)
 - 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.
- If any housing rehabilitation occurs, including wells and septic or manufactured housing repair/replacement or in association with homeownership, Form 5-1 is required or if homeownership assistance with no rehabilitation (even from other sources) then 5-2 required.

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.
 - Payments must be issued by the Recipient or consultant. The engineer cannot be responsible for mailing out payments.

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

Request 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 Request 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 individuals.

1. _____ Date _____
 Signature _____ Title _____

2. _____ Date _____
 Signature _____ Title _____

3. _____ Date _____
 Signature _____ Title _____

4. _____ Date _____
 Signature _____ Title _____

I certify that the signatures shown above are the legal signatures of those municipal employees authorized to sign requests for NYSCCRG 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 (11/2009)



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!

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



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

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			
C/T/V	State	NY	ZIP + 4
Phone	Fax		
Email			
Website			
BIN	BUNS		
CDBG #	FY End		

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

Contact	Title		
Term Effective Date	Term End Date		
Name	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		
Address			
C/T/V	State	NY	ZIP + 4
Phone	Fax		
Email			

4. Municipal Clerk

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

5. Municipal Treasurer or Chief Financial Officer

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

6. Municipal Attorney

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

7. Fair Housing Officer

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

Project Team 1 120613

Form 8-1 Project Team

8. Section 3 Coordinator

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

9. Subrecipient
 Are you/this entity to be undertaken by a Subrecipient? Yes/No To be selected (If Yes, complete this section)

Name of Subrecipient	Title		
Contact Person	Title		
Address			
C/T/V	State	NY	ZIP + 4
Phone	Fax		
Email			

10. Joint Standards Compliance Officer
 Will any CDBG activity be subject to State-Based Prevalence Waiver? Yes/No To be selected (If Yes, complete this section)

Name	Title		
Address			
C/T/V	State	NY	ZIP + 4
Phone	Fax		
Email			
General Decree Number	Risk opening date		

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		
Contact Person	Title		
Address			
C/T/V	State	NY	ZIP + 4
Phone	Fax		
Email			

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) **Municipal Employee**

Name of Firm	Title		
Contact Person	Title		
Address			
C/T/V	State	NY	ZIP + 4
Phone	Fax		
Email			

13. Lead Based Paint Risk Assessor
 Will any CDBG activity be subject to Lead Based Paint Regulations at 24CFR Part 35 and/or 24CFR Part 745? Yes/No To be selected (If Yes, complete this section)

Name of Firm	Title		
Contact Person	Title		
Address			
C/T/V	State	NY	ZIP + 4
Phone	Fax		
Email			

Project Team 2 120613

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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
 - SHPO
- ✓ Please contact your developer as you plan to prepare the ERR and Release of Funds. This is critical!



- 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 on 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/>
 - Housing Rehab - http://www.nyshcr.org/Forms/NYS-CDBG/HR_Labels.pdf
 - Home Ownership - http://www.nyshcr.org/Forms/NYS-CDBG/HO_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.
- A Subrecipient will be responsible for outreach, application intake, eligibility determination, project selection and construction management.
- 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

- Municipalities must determine the appearance of a 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 subrecipient, this includes mailing payments to vendors.
- However, if a true subrecipient relationship, the municipality will issue a check to the Subrecipient who in turn will pay vendors (contractors).
- 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

- Recipients **must** maintain control of the CDBG account
- 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.

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 3-1, for all housing 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 1/1/2016 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 February**



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 projects should 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/Economic Developer.

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

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.

Labor Standards Compliance

Labor Standards Compliance

General Labor Standards Requirements

- Only applies to housing projects with 8 or more units in a single site or construction contract.
 - 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 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.

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

- Housing Rehabilitation
- Homeownership

Housing Rehabilitation

Housing Rehabilitation

Housing Rehabilitation Policies and Procedures

- General Procedures
 - Establish written procedures that outlines the eligibility criteria, the requirements for income verification, the loan/grant requirements, repayment requirements, source of funds, etc.
- National Objective Compliance
 - **LMH**: Low/Mod housing and direct benefit.
 - Beneficiaries must demonstrate low- and moderate- income status.
 - Strict income documentation and verification is required.
- Marketing and Outreach
 - Maintain evidence of all activities undertaken to market the program to eligible persons.



Following these steps may ensure a more thorough and complete implementation process, compliance with applicable CDBG rules and regulations and can assist with ensuring that CDBG funds are expended on eligible activities.

The program implementation plan as developed by the Recipient should clearly outline responsibilities for everyone involved. Program policies and procedures should be approved by the local governing body and incorporated into a written manual available to the public.

All activities with the CDBG program must meet an eligible national objective as defined by the Housing and Community Development Act of 1974 at Section 105(c)(3). For the purpose of the NYS CDBG program, this compliance is demonstrated through LMH or low- and moderate income housing. Households at or below 80% of the area median income are defined as low- and moderate income.

When developing the eligibility criteria for the housing program, the definition of income that fits the needs of the program should be defined and must be incorporated and used consistently into any program implementation and marketing and outreach to prospective housing participants. You must maintain evidence of all activities undertaken to market the program to eligible persons such as ads, flyers, direct mailings, pre-applications, etc.

For further information and guidance, please refer to the OCR Grant Administration Manual Chapter 1, Getting Started. Refer to Exhibit 1-1, Program Manual Guidance, also contained within Chapter 1.

The manual can be found by going to: www.nyshcr.org/Programs/NYS-CDBG/GrantAdministration.htm

Housing Rehabilitation

Housing Rehabilitation Policies and Procedures

- File maintenance
 - Follow the guidance provided, recommended file labels are provided on the OCR website at http://www.nyshcr.org/Forms/NYS-CDBG/HR_Labels.pdf
 - Rehabilitation Case Files.
- 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.
- Project files must include cost estimates and scope of work.
- All projects must be retained for a minimum period of 3 years following the OCR closeout of the project.



Maintaining an efficient filing system is critical to the administration and monitoring of your program. A successful monitoring experience hinges on the quality with which the Recipient maintains its filing system and the ease of obtaining information from those files.

When establishing a file system, Recipients should consider using two categories to set up their files, grant files, and project files. The grant files should contain documentation and information that relate to the overall funding and administration of your program. The project files should contain specific documentation and information pertaining to each NYS CDBG-funded project and should be maintained for a minimum of three (3) years from grant closeout or for the period required as specified by governing regulations.

Following these steps may ensure a more thorough and complete implementation process and compliance with applicable CDBG rules and regulations and can assist with ensuring that CDBG funds are expended on eligible activities.

At the time of monitoring, the OCR will conduct on-site inspections of a sample of properties that received housing rehabilitation assistance.

File maintenance guidance can be found in Chapter 6 of the OCR Grant Administration Manual.

Housing Rehabilitation

Housing Rehabilitation Policies and Procedures

- 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/Block/Lot: _____
 Total Number of Housing Units in Building: _____ NY / ZIP + 4 _____
 Applies Lead Paint Requirement: Pre-1978 Post-1978 (Otherwise Exempt (Explain below))
 Date of Lead Based Paint Risk Assessment (if applicable): _____
 Date of Lead Based Paint Clearance (if applicable): _____
 Lead Request for funds for this site: Yes No If yes, Project Completion Date: _____

Section III – Project Cost Information

Use of Funds	Source Of Funds			
	NYS CDBG	HUD	State/Other	Owner/Other
Housing Rehabilitation (SI)				\$0.00
Housing Rehabilitation (MI)				\$0.00
Mobile Home Replacement				\$0.00
Wells/Septic/Land				\$0.00
Homeownership				\$0.00
Change Orders (OCR Approved)				\$0.00
Total Costs	\$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
% of Total Project Cost				

Section IV – Prepared by
 Name: _____
 E-Mail: _____
 Phone: _____ Date: _____

Form 1-4B Housing Disbursement Summary
12/2015

NEW YORK
 STATE OF
 OPPORTUNITY

**Homes and
Community Renewal**

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.

Housing Rehabilitation

Lead Based Paint Compliance

- Document any projects that may be exempt including the reason for the exemption.
 - OCR **is no longer** allowing for the presumption of lead.
 - Document the Risk Assessments, Lead Testing, Lead Clearances.
 - Document any lead hazard reduction activities.
 - Individual case files must include:
 - Form 5-1 Lead Based Paint Compliance Certification.
 - Exhibit 5-9 Calculating the Level of Federal Rehabilitation Assistance.
-
- ✓ Risk assessments and clearances must be done on the entire unit and include both visual and environmental testing
 - ✓ Refer to the OCR GAM Chapter 5 for further guidance on these issues.



The OCR no longer allows for presumption of lead for most housing rehabilitation activities.

All recipients of 2015 CDBG housing awards are required to submit lead based paint plans that are in compliance with HUD rules at 24 CFR Part 35 and EPA rules at 40 CFR Part 745. HUD has adopted the EPA rules.

All NYS CDBG funded housing rehabilitation projects must adhere to the Residential Lead-Based Paint Hazard Reduction Act of 1992, and which can be found at 24 CFR Part 35 and EPA Renovator, Repair and Painting rules at 40 CFR Part 745, as adopted by HUD. These regulations must be carefully followed to ensure that exposure to lead hazards is reduced in any residential property to be rehabilitated or purchased. The regulation can be found at www.hud.gov/offices/lead/.

HUD has created an Interpretive Guidance that can be used to address many of the questions that have arisen as a result of the implementation of these new regulations. This can also be found at www.hud.gov/offices/lead/.

Exhibit 5-9 must be maintained in each individual project case file.

Housing Rehabilitation

Lead Based Paint Compliance, Cont.

➤ Form 5-1 Lead Based Paint Compliance Certification

Form 5-1 CDBG LBP Compliance Plan Certification - Rehabilitation or Homeownership/Acquisition Assistance with Rehabilitation	
Recipient Name: _____	CDBG Project #: _____
Certification of Compliance	
1. Completion If a project meets an exemption in 24 CFR 31.115, the grantee will certify and document the exemption and submit evidence of the exemption within 90 days of the start of the project. <input type="checkbox"/>	
Requirements that apply to the project:	
2. Preparation Work Scope The grantee will develop a preliminary scope of work and cost estimates for purposes of the Federal Rehabilitation Assistance calculation and will provide the scope of work to the lead agency prior to completing a CRB instrument, if needed. <input type="checkbox"/>	
3. Federal Rehabilitation Assistance (FRA) Calculation The grantee will complete and document the per unit cost Federal Rehabilitation Assistance calculation (GARF Exhibit 5-2) following the guidance in GARF Exhibit 5-3 prior to executing contracts. A completed Exhibit 5-2 will be retained with each project file. <input type="checkbox"/>	
4. Repairs The grantee will provide the following options to each owner and occupant: a. EPA Remedial Action - prior to work b. Remove Lead Based Paint from Lead Based Paint - prior to work c. Repairs to all lead based paint - immediate repairs (GARF Exhibit 5-4) d. If necessary to meet State of Compliance (GARF Exhibit 5-4) e. Evidence of repair of each of the above items will be retained with each project file. <input type="checkbox"/>	
5. Inspection The grantee will conduct and document the lead based paint inspection, one of the following: a. If the FRA calculation is less than or equal to \$1,000 per occupied unit, one person will be hired to be tested by an EPA-certified inspector at a rate no more than \$24 CFR 31.112(b)(2), with the OIG prior to construction, presented to have lead. b. If the FRA calculation is more than \$1,000 per occupied unit, an EPA-certified risk assessor will be retained to conduct a risk assessment per 24 CFR 31.112(b)(2). <input type="checkbox"/>	
6. Contractor The grantee will have EPA-certified Insurers under 40 CFR 743.22 for rehabilitation work to any exempt properties. a. In addition to support the Federal Rehabilitation Assistance calculation exceeds \$1,000, an EPA assessment firm will be contracted to perform all remedial actions. b. Evidence of EPA certification for each contractor will be retained with each project file. <input type="checkbox"/>	
7. Receipt of Payment The grantee will ensure that the recipient and occupant belongings will be protected during any lead based paint work per the requirements of 24 CFR 31.114. <input type="checkbox"/>	
8. Closeout The grantee will require clearance by an EPA-certified professional for all lead based paint work in compliance with 24 CFR 31.114(d), within the time period specified in the contract to be no later than the expiration date of 24 CFR 31.112(b)(2). a. If the Federal Rehabilitation Assistance calculation does not exceed \$1,000, clearance of lead based paint. b. If the Federal Rehabilitation Assistance calculation exceeds \$1,000, clearance of the soil project. <input type="checkbox"/>	
Form 5-1 (2/2016)	

9. Maintenance The grantee will ensure each project for compliance with these requirements as part of its overall project monitoring. <input type="checkbox"/>	
10. Records The grantee will maintain records that fully document compliance with all requirements in this certification for a minimum period of five years from the closing of the project. <input type="checkbox"/>	
Recipient Certification (To be completed by the Recipient)	
Certification The undersigned certifies that the Recipient will comply with the requirements of 24 CFR Part 31 and 40 CFR Part 743 as summarized above for each property in the program, and agrees that failure to comply could result in suspension for the grantee to correct any non-compliance or to require and/or repay the Federal funds provided. <input type="checkbox"/>	
Chief Executive Officer (signature) _____	
Chief Executive Officer (typed name) _____	
Title _____	
Date _____	
Subrecipient Certification (in addition to Recipient Certification, if applicable)	
Certification The undersigned certifies that the Subrecipient, on behalf of the Recipient, will comply with the requirements of 24 CFR Part 31 and 40 CFR Part 743 as summarized above for each property in the program, and agrees that failure to comply could result in suspension for the subrecipient on behalf of the Recipient to correct any non-compliance or to require and/or repay the Federal funds provided. <input type="checkbox"/>	
Name of Subrecipient: _____	
Authorized Official (signature) _____	
Authorized Official (typed name) _____	
Title _____	
Date _____	
Form 5-1 (2/2016)	



Following the requirements as outlined in Form 5-1 CDBG LBP Compliance Plan Certification will help avoid potential pitfalls and is submitted with the grant agreement.

Contact your assigned Community Developer with any questions regarding lead based paint.

Housing Rehabilitation

Lead Based Paint Compliance, Cont.

➤ Exhibit 5-9 Calculating the Level of Federal Rehabilitation Assistance

EXHIBIT 5-9
CALCULATING THE LEVEL OF FEDERAL REHABILITATION ASSISTANCE

Step 1. Determine the average Federal housing assistance per assisted unit. (For multi-family units, divide total by the number of assisted units.)

Step 2. Determine the rehabilitation hard costs for the unit. Exclude soft costs and costs that are solely attributable to the lead-based control work.

Step 3. Use the lesser amount to determine the level of rehabilitation assistance for purposes of determining the lead based evaluation, work and clearance required.

See the Grant Administration Manual, Section V.F. for further explanation of these steps.

	Project	Average Per Assisted Unit
Step 1. Federal Housing Assistance		
OCES Funds		
NYCDO Funds		
Other HUD Funds (Use)		
Other Federal Housing Assistance (Use)		
Average Federal Housing Assistance per assisted unit		
Step 2. Hard Cost of Rehabilitation		
Total estimated Rehabilitation Hard Costs		
Exclude Costs of LBP based control work (Use minus)		
Average Hard Cost of Rehabilitation per assisted unit		
Step 3. Federal Rehabilitation Assistance per assisted unit		
Enter the lesser of Step 1 or Step 2:		
Minimum amount required to be determined as follows:		
<ul style="list-style-type: none"> • If unit value is equal to \$1,000 per unit: <ul style="list-style-type: none"> • Total amount to be determined as per above LBP with OCES assistance • Federal Work Practices on disturbed surfaces • Class B (or other immediate work per with job-related dust wipes) • If value is \$1,000 to less than \$10,000 per assisted unit: <ul style="list-style-type: none"> • Conduct risk assessment of unit • Perform LBP actions controls for all hazards • Class B (or other) work • If value from \$10,000 to more than \$100,000 per assisted unit: <ul style="list-style-type: none"> • Conduct risk assessment of disturbed unit & estimate area • Allow interim hazards controls (controls permitted for exterior) • Class B (or other) work 		
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

OCES
Grant Administration Manual

Chapter 5. Grant Procedures
Page 15

12/2014

NEW YORK
STATE OF
OPPORTUNITY

**Homes and
Community Renewal**

Following the requirements as outlined in Exhibit 5-9 Calculating the Level of Federal Rehabilitation Assistance will help avoid potential expenditure discrepancies regarding all applicable regulations. This form should be maintained in each individual project file.

Contact your assigned Community Developer with any questions regarding lead based paint.

Housing Rehabilitation

Manufactured Housing Rehabilitation

- Capped at \$20,000
- Require OCR approval if unit is more than 10 years old and/or if total rehabilitation will exceed \$20,000
- Refer to Schedule A of the Grant Agreement



The rehabilitation of existing manufactured homes is currently an eligible activity. For all repairs to existing mobile or manufactured homes, Recipients and Subrecipients will be required to document that the unit is less than 10 years old prior to undertaking the activity. Repairs to existing manufactured homes that are more than 10 years old must have prior approval from OCR prior to undertaking the activity. All repairs to manufactured homes are capped at \$20,000 and must be completed in compliance with HTFC Housing Rehabilitation Standards address (in this order):

- Health and safety issues
- NYS and/or local code violations
- Energy efficiency

Major systems within the manufactured home must have a minimum life expectancy of 5 years. Repairs should not be made to a manufactured home that is within a floodplain.

Housing Rehabilitation

Manufactured Housing Replacement

- Must be installed on permanent foundations
 - More information on permanent foundations can be found here:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/guidebooks/4930.3G



In certain instances, it may be deemed necessary to replace a manufactured home. Every effort should be made to assist the property owner with the purchase and installation of a new manufactured home which must be in compliance with Manufactured Home Constructions and Safety Standards at 24CFR Part 3280. The purchase of any previously owned manufactured home that is proposed as a rehabilitation/replacement activity must be pre-approved by OCR prior to undertaking the activity.

Manufactured homes must be installed on permanent foundations as set forth at 24CFR203.43f(c)(i).

Homeownership

Home Ownership

Housing Ownership Policies and Procedures

- General Procedures
 - Establish written procedures that outlines the eligibility criteria, the requirements for income verification, the loan/grant requirements, repayment requirements, source of funds, etc.
 - If homeownership assistance with rehabilitation is provided, only those households assisted with homeownership can receive rehabilitation.
- National Objective Compliance
 - **LMH**: Low/Mod housing and direct benefit.
 - Beneficiaries must be qualified as low- and moderate- income.
 - Strict income documentation and verification is required.
- Marketing and Outreach
 - Maintain evidence of all activities undertaken to market the program to eligible persons.



At the time of application, all housing projects must meet National Objective Compliance by demonstrating that all single units contain low or moderate income households, and at least 51% of all multi-units contain low- and moderate income households. This can be demonstrated through evidence of household income. For multi-unit homeownership projects the owner must qualify as LMI.

If the approved CDBG award includes homeownership assistance with rehabilitation, all units assisted with rehabilitation must have received homeownership assistance through the same CDBG award.

At the time of the monitoring, OCR will conduct an on-site inspection of a sample of homes that have been purchased.

Home Ownership

Housing Ownership Policies and Procedures

- File maintenance
 - Follow the guidance provided, recommended file labels are provided on the OCR website at http://www.nyshcr.org/Forms/NYS-CDBG/HO_Labels.pdf
 - Home Ownership Case Files

 - 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.
- ✓ If any rehabilitation is performed on the housing units, regardless of source, that must be addressed on the ERR



The development of policies and procedures is necessary for the homeownership activities, just as it is necessary for housing rehabilitation activities, therefore, make sure the project is adhering to the guidance that was previously provided in the Housing Rehabilitation portion of the webinar.

Home Ownership

Home Ownership Policies and Procedures

- 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/Block/Lot # _____

Total Number of Housing Units in Building _____ NY ZIP + 4 _____

Applicable Lead Paint Requirement _____ (Pre-1978) _____ (Post-1978) _____ (Observe Change) _____ (Explain below)

Date of Lead Based Paint Risk Assessment (if applicable) _____

Date of Lead Based Paint Clearance (if applicable) _____

Lead Request for Funds for this unit? Yes No If yes, Project Completion Date _____

Section III – Project Cost Information

Use of Funds	Source Of Funds				Subtotal
	55A CDBG	50104E	Other/Other	Other/Other	
Housing Rehabilitation (NY)					\$0.00
Housing Rehabilitation (NY)					\$0.00
Mobile Home Replacement					\$0.00
Wells-Septics-Lateral					\$0.00
Homeownership					\$0.00
Change Orders (OCR Approval)					\$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 12/04



Once again, the Form 1-4B, the Housing Assistance Summary Form, must be submitted with every drawdown, one for each building being assisted.

Home Ownership

Lead Based Paint Compliance

- Without Housing Rehabilitation
 - Visual Assessments
- With Housing Rehabilitation
 - Document any projects that may be exempt including the reason for the exemption.
 - OCR is no longer allowing for the presumption of lead.
 - Document the Risk Assessments, Lead Testing, Lead Clearances.
 - Document any lead hazard reduction activities.
- Lead based paint case files must include:
 - Form 5-2 Lead Based Paint Compliance Certification (acquisition only) or
 - Form 5-1 Lead Based Paint Compliance Certification (acquisition with rehabilitation)
 - Exhibit 5-9 Calculating the Level of Federal Rehabilitation Assistance



Lead based paint requirements for Housing Ownership include only visual assessments if no housing rehabilitation is being conducted. If the project does include housing rehabilitation, then the same procedures will be followed as for housing rehabilitation.

Home Ownership

Lead Based Paint Compliance, Cont.

- Form 5-2 Lead Based Paint Compliance Certification

Form 5-2 CDBG LBP Compliance Plan Certification - Homeownership/Acquisition Assistance Only (No Rehabilitation)	
Requester Name: _____	CDBG Project #: _____
Certification of Compliance	
1. Exemption If a property meets an exemption in 24 CFR 31.113, the grantees will certify and document the exemption. If exempt, no certifications below apply to the property.	<input type="checkbox"/>
2. Visual Assessment The grantees will conduct a visual assessment for a person who has completed the HUD visual assessment online training (http://www.hud.gov/offices/hud/programs/cdbg/leadpaint/visualassessment/visualassessment.cfm)	<input type="checkbox"/>
3. Notice The grantees will require that the following notices be provided to the buyer prior to or at closing: a. Present Year Family Lead b. Notice Disclosure of LBP & LBP Hazards	<input type="checkbox"/>
4. Painted surface repair If the visual assessment indicates deteriorated or deteriorating painted surfaces requiring repair, the grantees will require that surface be repaired following paint maintenance requirements in 24 CFR 31.113(b) including: a. Repair will be conducted by a person or firm with training received training under 24 CFR 31.113(d) or EPA. Repainter certifications under 40 CFR 543.228. b. Safe work practices under 24 CFR 31.113(c) will be followed, including occupant protection, unless the work painted surfaces disturbed by deterioration are less than 16 square feet of 24 CFR 31.113(c). c. Worksite clearance will be conducted by an EPA-certified professional under 24 CFR 31.113(e), unless the work painted surfaces disturbed by deterioration are less than 16 square feet of 24 CFR 31.113(c).	<input type="checkbox"/>
5. Closing Maintenance (rental only) If the subject property is a rental property subject to use restrictions, the grantees will require the owner to follow the ongoing maintenance requirements of 24 CFR 31.113(f) for a period of five years after completion of the work.	<input type="checkbox"/>
6. Records The grantees will maintain records that fully document compliance with all requirements in this certification for a period of five years from the date the project is closed out with the CDBG.	<input type="checkbox"/>

1

Form 5-2 (2/2016)

Requester Certification (Other to completed by the Requester)	
Certification: The undersigned certifies that the Requester will comply with the requirements of 24 CFR Part 31 and 40CFR Part 543 as summarized above for each property in the program, and agrees that failure to comply could result in suspension for the grantees to correct any non-compliance or in expense action upon the Federal funds provided.	
Chief Executive Officer: _____	(Signature)
_____	(Typed name)
Title: _____	
Date: _____	
Subrecipient Certification (in addition to Requester Certification, if applicable)	
Certification: The undersigned certifies that the Subrecipient, on behalf of the Requester will comply with the requirements of 24 CFR Part 31 and 40 CFR Part 543 as summarized above for each property in the program, and agrees that failure to comply could result in suspension for the subrecipient on behalf of the Requester to correct any non-compliance or in expense action upon the Federal funds provided.	
Name of Subrecipient: _____	
Authorized Official: _____	(Signature)
_____	(Typed name)
Title: _____	
Date: _____	

2

Form 5-2 (2/2016)

**Homes and
Community Renewal**

Form 5-2 applies to all homeownership assistance that is restricted to mortgage subsidy, down payment assistance and/or closing costs. If the homeownership assistance includes any housing rehabilitation, from ANY source of funding, the CDBG Lead Based Paint Compliance Certification (Form 5-1) will apply.

Contact your assigned Community Developer with any questions regarding lead based paint.

Home Ownership

Lead Based Paint Compliance, Cont.

- Exhibit 5-9 Calculating the Level of Federal Rehabilitation Assistance

EXHIBIT 5-9
CALCULATING THE LEVEL OF FEDERAL REHABILITATION ASSISTANCE

Step 1. Determine the average Federal housing assistance per assisted unit. (For multi-family units, divide total by the number of assisted units.)

Step 2. Determine the rehabilitation hard costs for the unit. Exclude soft costs and costs that are solely attributable to the lead-based control work.

Step 3. Use the lesser amount to determine the level of rehabilitation assistance for purposes of determining the lead-based evaluation, work and clearance required.

See the Grant Administration Manual, Section V.F. for further explanation of these steps.

	Project	Average Per Assisted Unit
Step 1. Federal Housing Assistance		
CHDF Funds		
NYCHDF Funds		
Other HUD Funds (see Other Federal Housing Assistance List)		
Average Federal Housing Assistance (per assisted unit)		
Step 2. Hard Cost of Rehabilitation		
Total project Rehabilitation Hard Costs		
(Exclude Costs of LBP-based control work (see notes))		
Average Hard Cost of Rehabilitation (per assisted unit)		
Step 3. Federal Rehabilitation Assistance (per assisted unit)		
Select the lesser of Steps 1 & 2, Rehabilitation (per assisted unit) and check applicable response below.		
If less than or equal to \$1,000 per unit:		
• Test surfaces to be disturbed or prepare LBP with OCB (see notes)		<input type="checkbox"/>
• Follow Job Work Practices on disturbed surfaces		<input type="checkbox"/>
• Check if clear materials work with the tested dust wipes		<input type="checkbox"/>
If above \$1,000 but less than \$17,000 per assisted unit:		
• Conduct risk assessment of unit		<input type="checkbox"/>
• Follow 31, 1948 asbestos controls for all hazards		<input type="checkbox"/>
• Check if clear matrix wall		<input type="checkbox"/>
If more than \$17,000 per assisted unit:		
• Conduct risk assessment of disturbed unit & contain areas		<input type="checkbox"/>
• Allow above matrix (matrix controls prohibited for exterior)		<input type="checkbox"/>
• Check if clear matrix wall		<input type="checkbox"/>

OCR Grant Administration Manual Chapter 5, General Provisions Page 59 122814



As noted during the housing rehabilitation portion of the webinar, Exhibit 5-9 must be maintained in each individual project file, if the homeownership activity includes any rehabilitation.

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 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 all housing activities, this will occur when around 80% 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 to 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 OCR

✓ Recipients are responsible for all subrecipient and consultant files



Monitoring of Subrecipients/Consultants:

- If under contract with a consultant for administrative and program delivery services, develop oversight procedures now.
- If entering into a subrecipient agreement, the Recipient will be required to monitor the subrecipient and to submit the report to the OCR.
- Whether a consultant or subrecipient, meet regularly.
- Document any monitoring/oversight 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/>

