

New York State
COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM

Community Development Block Grant Program
2018 Housing Application and Instructions



**Homes and
Community Renewal**

OFFICE OF COMMUNITY RENEWAL

ANDREW M. CUOMO, GOVERNOR
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The submission of a CDBG Program application via CDOL requires five steps:

- ✓ **Completing five online application exhibits;**
- ✓ **Validating online application exhibits;**
- ✓ **Certifying and submitting online application exhibits;**
- ✓ **Uploading and submitting or omitting attachments; and**
- ✓ **Certifying attachments**

REGISTERING APPLICANT & SECURITY MANAGER

Please review the following to be sure that your organization is prepared to use the CDOL system.

To use CDOL, applicants must: be registered in the New York State Homes and Community Renewal (HCR) Statewide Housing Activity Reporting System (SHARS), **and** have designated a Security Manager for their organization. The Security Manager will serve as the individual who authorizes and monitors access to CDOL for the applicant's organization, including which people can update the organization's applications. Security Managers may go into CDOL system, and add or remove users for their organization. Forms are available on HCR's website: <http://www.nyshcr.org/Apps/CDOnline/>

- **If your organization has not previously applied to HCR for funding:** Submit an Applicant Registration Form so that you may be registered as a SHARS Applicant. This form also contains a section where you may designate a Security Manager for your organization. HCR staff will register your organization and Security Manager and you will be e-mailed a USER ID and password to access CDOL.
- **If you are a registered SHARS applicant, but you have not registered to use CDOL:** Submit a Security Manager Registration Form to HCR, which will allow you access to CDOL. Complete and return the Security Manager Registration Form with an original authorized signature to the address specified on the form and you will be e-mailed a User ID and temporary password with which to access the CDOL system.
- **If your organization has previously used the CDOL system to apply to HCR for funding:** Applicants who used CDOL in the past will still be registered, and may use the user ID and password previously assigned to them. If you have forgotten your password, you may go to CDOL and enter your USER ID and e-mail address and you will be e-mailed a new password. If you have changed your e-mail address since you first registered as a CDOL user, and you cannot remember your password, or if you have forgotten your USER ID, please send an email to msr@nyshcr.org for assistance.

IDENTIFYING AND REGISTERING ORGANIZATION'S ELECTRONIC SIGNATORY

Applications submitted through the CDOL system must be electronically certified by an authorized representative of the applicant's organization. The person who will certify the application must be set up in CDOL as a user for your organization. The Security Manager (identified on the Security Manager Registration Form) may add the certifier by following these steps:

1. Log into CDOL and click on the User Administration link at the top of the page. The organization name will be displayed with a list of CDOL users.
2. To add your organization's authorized signatory, click 'Add New User', and enter their first and last name, and e-mail address.
3. Select their access level from the drop-down box.
4. Applicant inquiry allows the user to view but not change the application.
5. Applicant update allows the user to make changes to the application.
6. Click the box that reads 'Authorized to Sign Certification'.
7. Click the box next to the organization name. Then click 'Submit'.
8. CDOL will generate an e-mail providing the user with their User ID and temporary password. Later, when the application exhibits are complete, validated and ready to be submitted, the certifier must log-in to the CDOL, complete the certification, and submit the application exhibits. Required application attachments must also be certified prior to submission.

VERIFYING APPLICANT INFORMATION

Prior to beginning a new application using the CDOL system, an applicant must verify and update organization information if necessary. To do so, login and from the CDOL Main Menu, select the 'View' button to the right of the organization's name, under the 'Organization' heading. A pop-up window will appear with the organization information HCR has on file. If any of the information displayed is incorrect or needs updating, close the pop-up window, and select

the 'Edit' button to the right of the organization name. Please be sure to include the name and mailing address for the contact authorized to execute a contract with HTFC. It is important for HCR and HTFC to know where to mail potential award and contract materials.

You may update your organization information in CDOL at any time for HCR's database, but you may not change the organization information included on your application once it has been submitted.

CDOL Applicant Information Fields to review and verify:

A. General Applicant Information

If applicable, the applicant's Department of State (DOS) Charities Registration Number.
The month and day of the applicant's fiscal year end date (for example: 12/31).
Any aliases or acronyms the organization is also known as.

B. Type of Applicant

Select each applicable applicant type.
If applicable, add or correct the date of the non-profit applicant's legal incorporation.

C. Phone and Internet Data

If necessary, edit the applicant's telephone and fax numbers, e-mail address and URL.

D. Mailing Address(es)

If necessary, edit the applicant's primary mailing address in D1. The primary mailing address should be provided for correspondence related to this application and subsequent funding decision or contract correspondence. Provide alternate addresses in Section D2.

E. Primary Contact

If necessary, edit the name, title, phone number, extension, and e-mail address of the person who is the primary contact for the organization. This person must have the authority to legally represent the applicant. It is recommended that an organization provide a primary contact who is authorized to execute contract materials on behalf of the organization.

F. Other Principals

If necessary, edit or add principal organizations or employees of the applicant organization. For example, the Executive Director, CEO, Board President, or general partner.

COMPLETING APPLICATION EXHIBITS

Creating a New Application in CDOL

Log in to CDOL.

Next to 'Start a New Application' under the 'Applications' heading, enter a distinct name for the proposed project.

Select 'CDBG Program' from the 'Application Type' drop-down menu.

Press 'Submit' button.

A table of contents will be displayed with a list of all NYS CDBG Program Application Exhibits broken down by individual screens in CDOL. Instructions for completing each exhibit follow.

Application Exhibit Navigation

Complete the required fields for each Exhibit as explained below in the detailed instructions that follow. Once the information is entered in each field, and the exhibit is complete, press 'Submit' at the bottom of the screen.



If the Exhibit is complete and accurate, a message will appear at the top of the screen in green to notify you that the 'Updates have been successfully saved'.

If errors are present in the Exhibit, a message will appear in yellow at the top of the screen, and individual error messages will appear under the fields causing the error message(s). Follow instructions to correct the error(s) and press 'submit' again.

Once you receive the message notifying you that the 'Updates have been successfully saved,' Press the 'Next' navigation

button at the top right of the screen to move to the next application exhibit.



DO NOT use the internet browser back and forward buttons to navigate in CDOL. Use the Previous and Next links in the top right of the screen, or the Menu and Exhibit List links in the top left of the screen. If an applicant uses the browser back and forward buttons, application information may be lost.

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A. APPLICATION INSTRUCTIONS

Submission Instructions

On May 2, 2017, Governor Andrew Cuomo made a disaster declaration for Counties impacted by flooding along Lake Ontario and the St. Lawrence River. Municipalities in the Counties that are in the declaration area, Cayuga, Jefferson, Niagara, Orleans, Oswego, St. Lawrence, and Wayne may receive priority for applications for housing rehabilitation assistance that are submitted that directly support flood recovery efforts for homeowners.

Applicants seeking NYS CDBG funding for housing activities (housing rehabilitation, private water/wastewater) must apply for funding through the 2018 Office of Community Renewal Housing Resources Funding Opportunities Application. The 2018 Application for CDBG Housing Activities will be available on the NYS Homes and Community Renewal web site, www.nyshcr.org/Funding/ on Wednesday, September 19, 2018. Applications will be due no later than 4:00pm Friday, November 16, 2018.

Applications must be submitted using the Community Development Online Application System (CDOL) available at <http://www.nyshcr.org/Apps/CDOnline/>.

The above-stated application deadline is firm as to date and hour. In the interest of fairness to all competing applicants, applications received after the specified date and time will be deemed ineligible and will not be considered for funding. Applicants should make early submission of their applications to avoid risks of ineligibility resulting from unanticipated delays or other e-delivery-related problems.

Applicants may make a request, based on demonstrated need, to submit a paper application in lieu of using the CDOL application system. Requests for approval to submit a paper application must be sent to: Mr. Christian Leo, President, NYS Homes and Community Renewal, Office of Community Renewal, 4th Floor South, 38-40 State Street, Albany, NY 12207.

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B. SUBMISSION CHECKLIST

Applicants should use the Submission Checklist below when putting their application together (content and order). **This list is not all inclusive**; therefore, Applicants may need to include additional materials in their application.

A complete CDBG application includes:

Five (5) exhibits:

1. Exhibit 1 – Program Summary
2. Exhibit 2 – Needs Statement
3. Exhibit 3 – Proposal and Activity Detail
4. Exhibit 4 – Relevant Experience
5. Exhibit 5 – Budget/Financing Plan

Up to thirteen (13) attachments

1. Applicant/Recipient Disclosure/Update Report* [**required**]
2. Certification Form* [**required**]
 - a. **The original** Applicant/Recipient Disclosure/Update Report and Certification Forms **MUST** be retained by the Applicant with a hard copy of the application
 - b. **Do not mail any original forms to OCR unless otherwise instructed**
3. Citizen Participation Documentation [**required**]
4. Fair Housing and Supporting Documentation [**required**]
5. Section 3 Compliance Documentation [required]
6. Program Income Report [**required**]
7. Summary of Housing Conditions Survey [**required** for all rehabilitation]
8. Confidential Materials
9. Funding Commitment Letters
10. Letters of Community Support
11. Cooperation agreement and resolution authorizing a County to apply on behalf of an applicant
12. Green Building Practices and Energy Efficiency
13. Other Uploads (planning excerpts, other third party supporting documentation)

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- ✓ **Select “Submit” button when completing each section.**
- ✓ **Validating online application exhibits;**
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EXHIBIT 1 – PROGRAM SUMMARY

1A. GENERAL PROJECT INFORMATION

Funds Requested & Activities

Enter a Project Name, for example, *The Village of Upstate Owner Occupied Housing Rehabilitation Program*.

Select the Proposed Activity/Uses of Funds

- Single Family Housing Rehabilitation
- Multi-Family Housing Rehabilitation (buildings contain 2-3 units)
- Multi-Family Housing Rehabilitation (buildings contain 4 or more units)
- Residential Water & Wastewater Activities/Laterals

Enter total CDBG funds requested, this includes all administration, program delivery and construction costs.

Program Compliance

Citizen Participation, enter that date as requested for the required public hearing. *Please note, an Affidavit of Publication and copy of the published legal notice must be uploaded, see [Attachments](#)*

1B. APPLICANT INFORMATION

Applicant Name*, confirm this is correct

Type of Applicant*, confirm this is correct

Federal EIN*, confirm this is correct

DUNS Number, enter the municipal DUNS number, this is required for all municipalities. A DUNS number can be obtained from www.dnb.com or by calling 1-800-234-3867.

Fiscal Year End Date*, confirm this is correct

Official mailing address*, confirm this is correct

*This information was retrieved from the Applicant CDOL Registration

Enter all information as required for the following:

- Chief Elected Official
- Primary Applicant Contact Person (**this must be a municipal employee other than the CEO**)
- Application Preparer
- Grant Administrator

1C. PROGRAM LOCATION

Location Information

Location Type, select from the dropdown list

Enter street address for single site project.

Project County, select from the dropdown list

If program is not county-wide, identify all municipalities proposed to be included, select from dropdown list.

Regional Council, select from the dropdown list. Contact OCR if the Regional Council is not known.

Census Tract(s)/Block Groups of Location

Enter the census tract and/or block group

Latitude & Longitude

Please refer to the *Click [HERE](#)* for assistance

1D. POLITICAL DISTRICTS

Enter information as requested from the dropdown lists for:

New York State Assembly District(s)

New York State Senate District(s)

New York State Congressional District(s)

1E. SPECIAL NEEDS POPULATION

If the proposed activity will target any special needs population, provide the total number of units proposed by type.

EXHIBIT 2 – NEEDS STATEMENT

2. COMMUNITY AND NEEDS DESCRIPTION (Answer all the following questions)

Part I

Text will be limited to 4,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- a. Provide a brief description of the current community (last 10 years) in which the proposed activities will be undertaken, including a summary of the community's existing overall community development needs, challenges and priorities.
- b. Provide a physical description of the area(s) (support with maps).
- c. Describe the process used to determine these priorities.
- d. Briefly describe the outcomes of any needs assessment, survey, comprehensive, strategic and/or community plans, including the dates of the survey and plans and whether the plan(s) was adopted by the community. Do not submit the plan with your application.

Part II

Text will be limited to 3,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- a. Describe the need(s) to be addressed by the proposed project. The description must provide sufficient detail to clearly describe the need(s) to be addressed in terms of the nature, scope, location, current conditions (quantifiable terms such as the condition of the housing, private water/wastewater systems) the extent of the problem and past efforts to resolve the need(s) and any limitations on funding or other resources to address identified issues.
- b. Provide a description of the overall housing conditions within the area targeted for assistance.

Part III

Text will be limited to 3,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- a. Explain how the proposed project will support or complement other public (federal, state or local) programs such as public infrastructure, public works and public facilities; housing; economic development and main street revitalization, particularly those that benefit directly or indirectly benefit LMI persons.
- b. Include any third party supporting documentation as an attachment. Do not include full planning documents, only relevant excerpts.

EXHIBIT 3 – PROPOSAL AND ACTIVITY DETAIL

3A. PROGRAM ABSTRACT

Text will be limited to 3,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

Provide a brief abstract of the proposed program. **Please note, the abstract provided may be included in press materials.** This abstract should include, but not be limited to the following information: Organization name, CDBG program request amount, estimated total project cost, other sources of funding, main goal(s) of the program and activities for which CDBG funds will be used.

Sample text: The Village of Upstate will use \$400,000 in NYS CDBG funds to provide housing rehabilitation assistance to low-income homeowners. Assistance will be provided in the form of a grant to eligible homeowners to make improvements such as energy efficiency, electrical upgrades and other health and safety repairs.

3B. PROJECT/PROGRAM DESCRIPTION

Part I

Text will be limited to 2,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Provide a detailed description of each activity proposed including quantifiable information and any unique aspects of the proposal, the impact of the project to the community at large including the beneficiaries of the project. Examples of quantifiable information are the number of grants and loans to be issued and the terms and conditions, and, number, size and type of buildings/homes/laterals, etc.
- If the proposed project has identified targeted special needs populations for assistance, provide a detailed description of how the program will be made available. Describe how the program will actively incorporate special needs populations in the proposed housing program.

Part II

Text will be limited to 2,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Describe how the project will be implemented to ensure the goals and impact identified in the application. Where applicable, explain how the project reduces risks to the health, welfare or safety of the beneficiaries. Describe how energy conservation is incorporated into the program design, such as tank less water heaters, low flow showerheads, energy efficient lighting.

Part III

Text will be limited to 4,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Describe the method used to determine the best approach and cost-effective method to address the need.
 - List the sources and dates of third-party cost estimates including any special features that will result in an unusual or a costly design
 - Cost estimates must be no more than 18 months old and specific to the project being proposed.
 - Cost estimates must be uploaded as attachments
 - Provide a brief description of the qualifications of the person responsible for preparing the cost estimates.
 - Provide a brief description of the existing contractor pool and a description of the methods for maintaining the contractor pool. How many contractors are in the existing contractor pool?

Part IV

Text will be limited to 2,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Describe any efforts taken to secure alternative or additional funds from other public and private sources. Have other OCR housing resources such as Access to Home, RESTORE, HOME and weatherization been pursued to support this proposed program. If other resources have not been pursued, provide a brief explanation.

Part V

Text will be limited to 2,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Explain the positive impact of the NYS CDBG funds on the total cost of the project and to the beneficiaries of the project and why NYS CDBG funds are required to carry out the proposed activity.

Part VI

Text will be limited to 2,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Describe any compliance actions or regulatory actions such as historic and/or environmental requirements, design, approvals and permits that have been undertaken prior or are anticipated to be undertaken for the proposed activity or how these actions will be addressed, if funded. For projects that are specifically proposing well and septic, this must be clearly addressed.

Part VII

Text will be limited to 2,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Provide a brief description of how the program will be administered including the roles of the individuals involved in the administration and delivery of the program. This description must include a description of administrative services and a description of program delivery services even when these services are proposed to be provided through non-CDBG sources

3C1. HOUSING REHABILITATION PROPOSALS (Single Unit, Multi-Family, Standalone Water)

Part I

Text will be limited to 5,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Describe the eligibility requirements and selection process for applicants including the process for verifying participant eligibility, prioritizing eligible applicants, eligible properties and activities.
- Include any unique program design features or additional support provided to the applicants and/or beneficiaries that may improve the likelihood of success and long-term sustainability.
- Indicate the amount and describe the form of subsidy to be provided (e.g. loans, grants, deferred loans, etc.) including the proposed maximum grant or loan to be provided and match requirements.
- Describe the regulatory terms and conditions, and the means of securing compliance during the regulatory term (e.g. lien).
- Describe the outreach efforts conducted and the marketing plan to be implemented.

Part II

Text will be limited to 4,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- To determine the condition of the housing in the project area proposed for rehabilitation, applicants need to conduct a housing conditions survey. Typically, this is carried out by a skilled Rehabilitation Specialist. Describe the familiarity with building codes, Housing Quality Standards and housing construction that were utilized to assess the condition of a house to determine the level of substandardness.

Part III

Text will be limited to 8,000 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Applicants must substantiate the level of substandardness for housing being considered for funding using the definitions of housing conditions located in Appendix L, Determination of Substandard.
 - Provide a summary of the housing conditions survey
 - Provide a description of the houses that are of substandard or dilapidated condition, and a summary of the overall results of the survey including, but not limited to:
 - The number of units in the project area;
 - The number of units surveyed;
 - The number of units surveyed that are rental or owner occupied;
 - The number of units that meet the conditions: standard, severely substandard, moderately substandard, and dilapidated;
 - The number of units surveyed that are occupied by LMI persons for each housing condition;
 - The number of vacant units for each housing condition;
 - Other blighting conditions within the project area; and
 - A representative sample of the housing surveyed including details of the condition of the housing unit(s) (e.g. leaking roof, exposed wiring, foundation cracked).

3C2. HOUSING REHABILITATION PROPOSAL Multi-Family Units Only

Text will be limited to 2,500 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- For housing rehabilitation projects that include the rehabilitation of rental units, describe the method used to determine and sustain affordable rents.

3C3. HOUSING REHABILITATION STANDALONE WATER

Text will be limited to 2,500 characters; 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- For housing rehabilitation projects that are proposing to do well and septic only, provide a brief description of how this will be carried out and include a description of how all other housing rehabilitation needs may be addressed.

3C4. ACTIVITY DETAIL

Benefit to Low- and Moderate-Income (LMI) Persons:

Applicants must demonstrate that housing units to be assisted are occupied by low- and moderate-income persons or, in the case of multi-unit rehabilitation that at least 51% of the units are occupied or will be occupied by low- and moderate-income persons.

Refer to LMI National Objective Compliance Requirements

EXHIBIT 4 – RELEVANT EXPERIENCE

4A. RELEVANT EXPERIENCE

Beginning with the applicant, please provide up to five entries for each organization for similar projects/programs completed by the applicant or related program administrator or Subrecipient over the past three to five years.

- Indicate which organization involved in the local program this section is being completed for
 - Select from dropdown list
- Program Name
- Program Administrator/Contact Person Name
- Role
 - Select from dropdown list
- Type
 - Select from dropdown list
- Contract Start Date
- Contract End Date
- Percentage Complete:
- Number of Units:
- Population Served:
- Total Cost
- Program Funding Source
- Program Funding Agency
- Funding Source Contact Name
- Funding Source Contact Phone

For requested detail below, text will be limited to 1,000 characters, 1 page of 12 point Arial single spaced text is approximately 4,000 characters.

- Provide brief description of project accomplishments.
- Describe how this experience is relevant to the proposed program.
- Address any grant administration problems, delays or monitoring findings.

EXHIBIT 5 –BUDGET/FINANCING PLAN

5A. SOURCES OF FUNDS

- Source
 - Select from the dropdown list
- Specify Source
 - Federal
 - State
 - Local
 - Private
 - Other
- Amount
 - Specify amount from each source committed to this project
- Assistance Type
 - Select from dropdown list
- Funding type
 - Select from dropdown list
- Status
 - Select from dropdown list
- For each source of funds, enter commitment information and provide a copy of the commitment letter as an attachment.

5B. PROGRAM COSTS

1. Engineering Costs
2. Single Unit Rehabilitation Costs
3. Single Unit Program Delivery
4. Multi-Unit (2-3-unit building) Rehab Costs
5. Multi-Unit (2-3-unit building) Program Delivery
6. Multi-Unit (4+ unit building) Rehab Costs
7. Multi-Unit (4+ unit building) Program Delivery
8. Standalone Water/Wastewater/Laterals
9. Water/Wastewater/Laterals Program Delivery
10. Administration
11. Total Program Delivery (Lines 3,5,7,9, 11)
12. Total Direct Assistance (Lines 1,2,4,6,8,10)
13. Total All Costs (Lines 12, 13,14)

5C. BUDGET NARRATIVE

- Explain the project budget.
 - Please be specific, and list each source in a consistent format.
 - This explanation of your program budget must be consistent with the required Sources and Uses budget tables.
 - If a source is identified as committed, the applicable commitment letter must be attached where requested in the application.
 - Specifically, identify the total project cost; identify each source of funds and proposed use(s); for each source identified, indicate whether the source is formally committed or pending approval.
 - Documentation must be attached if a source is indicated as committed.
 - Explain how the proposed project will proceed if the pending sources are not secured.

SCHEDULE OF ATTACHMENTS

1	Applicant/Recipient Disclosure/Update Report [required] <u>Original must be retained by the applicant</u>
2	Certification Form [required] <u>Original must be retained by the applicant</u>
3	Citizen Participation Documentation [required] Affidavit of Publication and <u>CLEAR, LEGIBLE COPY</u> of the legal notice as published for the public hearing. [required] <u>(submit as a single pdf upload)</u>
4	Fair Housing Plan and Supporting Documentation [required] <u>(submit as a single pdf upload)</u>
5	Section 3 Compliance Documentation [required]
6	Program Income Report [required]
7	Sample of Housing Conditions Survey/cost estimates (at least 3) [required for all rehabilitation] <u>(submit as a single pdf upload)</u>
8	Confidential Materials <u>(submit as a single pdf upload)</u>
9	Funding Commitment Letters <u>(submit as a single pdf upload)</u>
10	Letters of Community Support <u>(submit as a single pdf upload)</u>
11	Cooperation agreement, resolution authorizing a County to apply on behalf of City, Town or Village <u>(submit as a single pdf upload)</u>
12	Green Building Practices and Energy Efficiency
13	Other Uploads (planning excerpts, other third party supporting documentation) <u>(submit as a single pdf upload)</u>

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ATTACHMENT 1 – APPLICANT/RECIPIENT DISCLOSURE/UPDATE REPORT

Please go to: <http://portal.hud.gov/hudportal/documents/huddoc?id=2880.pdf> to obtain access to this form.

1. Sign and date the Form.
2. DO NOT MAIL THE ORIGINAL CERTIFICATION FORM TO OCR.
3. Original MUST be retained by the applicant

Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531, P.L. 101-235 approved 12-15-89) and HUD implementing regulations at 24 CFR Part 12 contain disclosure requirements for State CDBG Applicants and Recipients. Subpart C of 24 CFR Part 12 requires Applicants for state-administered CDBG funds to make a number of disclosures if they meet a dollar threshold for the receipt of certain covered assistance. All Applicants applying for NYS CDBG funds must complete Form 11, which requires all Applicants to submit a Disclosure Report with their application.

The following must make full Disclosure Reports:

1. Any Applicant applying for more than \$200,000 of NYS CDBG funds.
2. Any Applicant applying for less than \$200,000 of NYS CDBG funds, but has received or could receive other covered assistance which when added to the NYS CDBG funds exceeds \$200,000.

An applicant that is applying for NYS CDBG funds amounting to \$200,000 or less, and that will not be receiving other covered assistance, is not required to make full disclosures, but must partially complete and submit the Applicant/Recipient Disclosure/Update Report with its application.

Guidance Regarding Disclosures

1. Initial Reports

Applicants that are required to submit full initial reports must disclose the following:

1. Other government assistance (Federal, State and/or local) that is to be used in conjunction with the NYS CDBG project.
2. The pecuniary interest of any developer, contractor, or consultant involved in the application for NYS CDBG assistance or in the planning, development, or implementation of the CDBG project.
3. The pecuniary interest of any other person in the project, which exceeds \$50,000 or ten percent, whichever is lower, of the NYS CDBG assistance applied for.
4. The sources of all funds to be used in the project (including those sources identified for Item 1 above) and the uses to which these funds are to be placed.

2. Update Reports

Subsequent to the submission of NYS CDBG applications, Applicants/Recipients that are required to submit full initial reports are required to submit updated Disclosure Reports when any of the following occur:

1. The Applicant/Recipient discovers that information was omitted from its initial report or last update report.
2. Additional persons or entities can be identified as interested parties. These are persons or entities that did not have a pecuniary interest when the initial or last update report was submitted, but who can now be identified as having a pecuniary interest that is required to be reported.
3. There is an increase in the amount of pecuniary interest of a person or entity identified in the last report, if this increased pecuniary interest is more than \$50,000 or 10%, whichever is lower, of the pecuniary interest for that person or entity listed in the initial or last update report.
4. There is a change in other government assistance from that which was provided in the last report. An updated report must be submitted if the total amount of other assistance reported in the initial or last update report has increased by \$250,000 or 10%, whichever is lower.
5. There is a change in the source and/or use of funds from that which was provided in the initial or last update report that exceeds the amount of all previously disclosed sources and/or uses of funds by \$250,000 or 10%, whichever is lower.

Recipients must constantly monitor their projects to ensure that an updated Disclosure Report is submitted within 30 days of any change that meets one of the five criteria discussed above. Updated reports are required until the project is closed out.

ATTACHMENT 2 – CERTIFICATION FORM

1. Sign and date the form
2. DO NOT MAIL THE ORIGINAL CERTIFICATION FORM TO OCR.
3. Original MUST be retained by the applicant
4. The form is available on the OCR website at <http://www.nyshcr.org/AboutUs/Offices/CommunityRenewal/HousingResourcesFundingOpportunities.htm>

ATTACHMENT 3 – CITIZEN PARTICIPATION DOCUMENTATION

The Federal Housing and Community Development Act “encourages citizen participation, with particular emphasis on participation by persons of LMI” both in the preparation of CDBG applications and throughout the implementation of local CDBG projects. Specifically, the Act requires public hearings “to obtain the view of citizens on community development and housing needs” and on “proposed activities.” Congress has mandated that the hearings “be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped”. Therefore, public hearings should be held at a time and place convenient to the public, with accommodations for persons with disabilities. For hearings where a significant number of non-English speaking persons can reasonably be expected to participate, the notice must also be in the appropriate language(s) and provision must be made for interpreters at the public hearing. Notice of public hearings should also be directed to persons of LMI or those persons who will benefit from or be affected by CDBG activities and/or groups representing LMI persons.

Prior to submitting an application, Applicants must meet the citizen participation requirements at 24 CFR 570.486 and New York State’s Citizen Participation Plan, as amended which require Applicants to follow a citizen participation plan providing for a minimum of two public hearings (two in each jurisdiction of a joint application), and public availability of the application for inspection at the municipal office(s). Applicants must comply with the following citizen participation requirements:

- Provide for and encourage citizen participation, particularly by LMI persons who reside in slum or blighted areas and areas in which CDBG funds are proposed to be used;
- Ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to the proposed and actual use of CDBG funds;
- Furnish citizens with information, including, but not limited to:
 - The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and anticipated Program Income);
 - A listing of the activities to be undertaken with CDBG funds;
 - The estimated amount of CDBG funds proposed for activities that benefit LMI National Objective; and
 - The proposed CDBG activities likely to result in displacement and the municipality’s anti-displacement and relocation plan required under 24CFR 570.488;
- Provide technical assistance to group’s representative of persons of LMI that request assistance in developing proposals in accordance with the procedures developed by the State. However, such assistance need not include providing funds to such groups;
- Hold a minimum of two public hearings, one at the time of application and one during the grant administration process, for obtaining citizens’ views and responding to proposals and questions. The first public hearing must be held prior to the preparation and submittal of an application and the second during the administration of an awarded grant to provide input on the effectiveness of the administration of the grant. The public hearing should provide citizens with reasonable notice of, and an opportunity to comment on, proposed activities in an application to the State and grant administration activities; and
- Public notice must be provided before public hearings are held. Notice of each public hearing must be published at least once in a newspaper of general circulation in the community at least seven days prior to the hearing. At a minimum, public notices should contain the time and place of the hearing, offer accommodations for persons with disabilities and include an invitation to submit written comments and where to direct such comments. Additionally, public hearings held at specific times in the process require specific information in the public notice. Public notices for public hearings held prior to preparing an application should contain information about the amount of CDBG funds available and the types of activities eligible for CDBG funding and the amount of funds being requested.

- Provide citizens with reasonable notice of, and opportunity to comment on, proposed activities in an application to the State and, for grants already made, activities, which are proposed to be added, deleted or substantially changed from the application submitted to the State.
- In all cases, a quorum of **the local governing body must conduct the required public hearings**, even if the local government is considering applying on behalf of a Subrecipient, such as a local housing authority, human resource development council, or a county water and sewer district. Having the local government conduct the hearings, rather than delegating the task to a potential recipient of the CDBG funds, provides the most objective forum for considering alternative community needs (and potentially competing proposals for CDBG projects) and encourages a frank discussion regarding any proposed community development projects. Prior to submission of its application to the Office of Community Renewal (OCR), the Applicant must meet the citizen participation requirements at 24 CFR 570.486 and New York State's Citizen Participation Plan as amended.
- Refer to Appendix D. Citizen Participation for draft public hearing language. Upload the Affidavit of Publication and **CLEAR, LEGIBLE COPY** of the legal notice as published for the public hearing.
- **Submit as one pdf single upload, do not upload multiple documents.**

ATTACHMENT 4 – AFFIRMATIVELY FURTHERING FAIR HOUSING

All applicants are required to report whether within the past ten (10) years the it has been the subject of any housing discrimination proceeding before a federal, state and/or local adjudicatory body. The applicant shall:

- a. Provide the final disposition or indicate that the proceeding is pending.
- b. Applicants should also provide a brief description of the complaint and procedural history for cases that are pending or final administrative and/or court orders.

Submit as one single upload, do not upload multiple documents.

ALL Recipients that are awarded NYS CDBG housing funding assistance will have a continuing obligation through the contract period to disclose within thirty (30) days to HCR's Fair and Equitable Housing Office if the municipality becomes the subject of any fair housing proceeding before a federal, state and/or local adjudicatory body, or if it receives a final disposition in a proceeding involving fair housing law claims.

Affirmatively Furthering Fair Housing Checklist

Recipients of federal funds have a duty to affirmatively further fair housing (AFFH) pursuant to the Fair Housing Act. New York State will monitor the efforts of local government grantees to satisfy, and certify their own duty to AFFH. In general, activities that AFFH should promote non-discrimination and ensure fair and equal access to housing opportunities for all. The Grant Administration Manual, Chapter 5 Section VII(E), provides additional information regarding fair housing obligations. To ensure compliance with the AFFH requirements the Recipient is required to:

- a. Display fair housing posters and distribute fair housing materials prepared by New York State, the municipality, US Department of Housing and Urban Development (HUD), or fair housing organizations to community residents, landlords, real estate professionals and lenders;
- b. Pass a fair housing resolution that demonstrates a "good faith effort" in complying with fair housing requirements. The fair housing resolution adopted by the Recipient must also be publicized and promoted within the community; and
- c. Designate a fair housing officer who is familiar with the fair housing regulation, have him or her trained on their duties and responsibilities as a fair housing officer, and, through means reasonably calculated to reach the community, publicize the existence of the fair housing officer as the primary point of contact for all fair housing related issues.

The Recipient shall provide to HCR's Office of Community Renewal within forty-five (45) days of the award of funds, the AFFH Checklist activities it will undertake. Additionally, the Recipient shall carry out the AFFH actions within one (1) year of the award of funds and provide to HCR's Office of Community Renewal proof of the activities undertaken as a record of the municipality's activities to satisfy its AFFH requirements.

In addition to the abovementioned required activities, the Recipient's AFFH Checklist should identify which of the below activities will also be undertaken. The below checklist does not include every fair housing activity that a municipality could, or should undertake. It is however a good starting point of increasing community awareness, ensuring that clear procedures exist for addressing fair housing complaints, expanding the types of housing choice within the municipality, and generally providing all people with the opportunity to live in a community of their choice without discrimination.

If a Recipient intends to complete an action not included in the AFFH Checklist to satisfy one of the categories from the AFFH Checklist, it must apply to Fair and Equitable Housing Office (FEHO) for permission to do so. Questions related to fair housing obligations and/or the AFFH Checklist must be addressed to HCR's Fair and Equitable Housing Office at (518) 473-3089 or FEHO@nyshcr.org.

Recipients must be prepared to begin reporting on efforts to Affirmatively Further Fair Housing on an annual basis. Reporting will occur on an annual basis through the OCR Annual Performance Report that is due in January of every year. This will occur for the first time in January, 2019.

I. Encourage community input on fair housing matters

1. Hold an annual public meeting on fair housing. Provide to HCR an agenda, meeting notes, and reports concerning the steps that will be taken to address fair housing issues raised at these meetings. Include list of attendees/sign-in sheet, location and date.

II. Ensure public policy affirmatively furthers fair housing

1. Sponsor, or work with a community development/planning organization, rural/neighborhood preservation, or fair housing organization to conduct a survey to assess the community's housing needs, including barriers to fair housing choice.
2. Survey special housing needs of minorities and women to determine possible effects of discrimination.

III. Promote fair housing education

1. Elected officials, municipality staff in charge of planning, zoning, building, housing, community and economic development, and their third-party consultants attend a fair housing training program.
2. Expert provides a fair housing education and training program for real estate professionals, including developers, sales and rental agents, lenders, and property managers.
3. Conduct a meeting with financial institutions that serve the community to discuss the importance of providing financial assistance for housing in all geographic areas and to all residents in the community.

Please note that the actions listed above represent the commitment of the Office of Community Renewal (OCR) to Affirmatively Further Fair Housing (AFFH), and supplement, but do not replace the responsibility of each grantee to AFFH as described in the CDBG Grant Administration Manual.

ATTACHMENT 5 – SECTION 3 COMPLIANCE DOCUMENTATION

For all proposed projects that would result in CDBG assistance in excess of \$200,000, applicants must submit a Section 3 Compliance Plan. The Section 3 compliance plan describes the way recipients of CDBG financial assistance will, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

A sample Compliance Plan is available at

http://www.nyshcr.org/AboutUs/Offices/FairHousing/Sec3/Section3_reference.htm

The submission of a Section 3 Compliance Plan is not required where an applicant has a previously approved plan on file with NYS HCR.

ATTACHMENT 6 – PROGRAM INCOME

1. Each Applicant must certify to the Office of Community Renewal (OCR) the amount of uncommitted program income from New York State administered CDBG grants on hand at the time of application. **All applicants** must fill out, sign and attach the CDBG Program Income Report to the Consolidated Funding Application. The report form can be found here: <http://www.nyshcr.org/AboutUs/Offices/CommunityRenewal/CDBGFundingOpportunities.htm>

Note that if a community has NYS CDBG Program Income generated from the year 2000 forward, all program income must be committed (with approval by OCR) prior to requesting *new* CDBG funding.”

ATTACHMENT 7 - SUMMARY HOUSING CONDITIONS SURVEY/COST ESTIMATES

1. Upload a template of the housing conditions survey that was utilized to undertake a housing conditions survey.
2. Provide a minimum of three (3) cost estimates that are no more than eighteen (18) months old at the time the application is submitted.
3. Include sample project photos that can clearly demonstrate existing conditions.
Every effort must be made to maintain homeowner privacy, avoid including street addresses, or other photos that can clearly identify a specific location.
4. Summary must be no more than five pages, single space, Arial 12 font, including color photos and one page for a map.
5. **Submit as one single upload, do not upload multiple documents.**

ATTACHMENT 8 – CONFIDENTIAL MATERIAL

1. All material that could potentially identify any household by name or address must be submitted in this section.
2. **Submit as one single upload, do not upload multiple documents.**

ATTACHMENT 9 – FUNDING COMMITMENT LETTERS

1. Provide a clear legible copy of all letters of commitment for all funds identified in this application.
2. Letters should clearly state that funds have been awarded and the date that funds are available until.
3. **Submit as one single upload, do not upload multiple documents.**

ATTACHMENT 10 – LETTERS OF COMMUNITY SUPPORT

1. Provide copies of letters from local residents that may have been submitted in support of this project or that have requested housing assistance.
2. **Submit as one single upload, do not upload multiple documents.**

ATTACHMENT 11 – COOPERATION AGREEMENT

If the application is being submitted by a County on behalf of another municipal entity, for example, a County is preparing and submitting the application on behalf of a local City, Town or Village;

1. Submit a fully executed Cooperation Agreement authorizing the County to submit the application on behalf of another Municipal entity.
2. Submit a copy of a resolution approved authorizing the County to submit on behalf of the City, Town or Village.

ATTACHMENT 12 – GREEN BUILDING PRACTICES AND ENERGY EFFICIENCY

Green Building Practices and Energy Efficiency - Applicants proposing to use CDBG funds for housing rehabilitation activities will receive additional points based on the extent to which the program will incorporate green building practices and energy efficiency measures for the assisted units. These practices may include, but are not limited to:

- Performing a certified energy audit for each assisted unit
- Incorporating recommendations from audit into the scope of work
- Use of green building materials in rehabilitation
- Use of energy and water conserving fixtures and systems
- Recycling materials where possible

Provide a green building and energy efficiency “plan”, along with any supporting documentation, as an attachment to the application.

ATTACHMENT 13 – OTHER UPLOADS

1. Other uploads can include but are not limited to planning excerpts, health department reports of private well and septic issues, engineering reports directly related to private well and septic, or engineering reports related to the installation or replacement of lateral connections.
2. Other uploads can include any other documentation clearly connected to the application being submitted.
3. **Submit as one single upload, do not upload multiple documents.**

ADDITIONAL PROGRAM REQUIREMENTS

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A. NOTICE OF FUNDING AVAILABILITY

NEW YORK STATE HOMES AND COMMUNITY RENEWAL HOUSING TRUST FUND CORPORATION OFFICE OF COMMUNITY RENEWAL 2018 NOTICE OF FUNDING AVAILABILITY (NOFA)

The Housing Trust Fund Corporation (HTFC) announces the availability of approximately \$20 million of State and Federal funds for the following programs:

- **\$12 million** - NYS Community Development Block Grant funding for Housing Activities
- **\$ 8 million** – NYS HOME Program

NYS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

PROGRAM DESCRIPTION

The New York State Community Development Block Grant Program (NYS CDBG) is a federally funded program administered by the Housing Trust Fund Corporation's (HTFC) Office of Community Renewal (OCR). The program provides resources to non-entitlement communities to enable the development of decent, affordable housing, create suitable living environments, and enhance economic opportunities across the state.

CDBG ELIGIBLE APPLICANTS

Eligible applicants include non-entitlement villages, towns, cities or counties throughout New York State, excluding metropolitan cities, urban counties, and Indian Tribes that are HUD designated Entitlement communities. Non-entitlement areas are generally defined as cities, towns, and villages with populations of less than 50,000 except those designated principal cities of Metropolitan Statistical Areas, and counties with populations of less than 200,000.

CDBG HOUSING ACTIVITIES

CDBG funds are available for housing activities including housing rehabilitation, well and septic replacement, and lateral connection assistance that primarily benefit low- and moderate-income persons.

2018 MAXIMUM FUNDING LIMITS

CDBG Housing Activities

Towns, Cities and Villages:	\$ 500,000
Counties:	\$1,000,000

APPLICATION FOR FUNDING

The 2018 Application for CDBG Housing Activities will be available on the NYS Homes and Community Renewal web site, www.nyshcr.org/Funding/ on **Wednesday, September 19, 2018**. Applications will be due **no later than 4:00 pm Friday, November 16, 2018**. Applications must be submitted using the Community Development Online Application System (CDOL) available at www.nyshcr.org/Forms/.

The above-stated application deadline is firm as to date and hour. In the interest of fairness to all competing applicants, applications received after the specified date and time will be deemed ineligible and will **not** be considered for funding. Applicants should make early submission of their applications to avoid risks of ineligibility resulting from unanticipated delays or problems.

Applicants may make a request, based on demonstrated need, to submit a paper application in lieu of using the CDOL application system. Requests for approval to submit a paper application must be sent to: Mr. Christian Leo, President, NYS Homes and Community Renewal, Office of Community Renewal, Hampton Plaza, 38-40 State Street, 4th Floor South, Albany, NY 12207.

NYS HOME LOCAL PROGRAM

PROGRAM DESCRIPTION:

The NYS Home Local Program (HOME Local) is a federally funded program administered by the Housing Trust Fund Corporation's (HTFC) Office of Community Renewal (OCR). The program is designed to fund a variety of residential housing activities to expand the supply of decent, safe, and affordable housing throughout the State of New York. The funds made available in this NOFA represent 2018 fiscal year HOME funds designated for use by Local Program Administrators (LPAs).

ELIGIBLE APPLICANTS:

Eligible LPAs are defined as:

- 1) Units of local government, to include: Counties, Cities, Towns and Villages
- 2) Non-profit corporations incorporated under State Non-Profit Corporation Law
- 3) Community Housing Development Organizations (CHDO)
- 4) Public Housing Authorities

NOTE: Applications will be permitted from not-for-profit organizations within HOME Participating Jurisdictions. Please refer to the Request for Proposals for more details.

To be eligible to apply for an award, LPAs must have been in existence and providing recent and relevant residential housing services to the community for at least one year prior to application. Applicants must be able to demonstrate a local market need for the program proposed and the capacity to utilize the amount of funding requested within the two-year contract term.

ELIGIBLE ACTIVITIES, MAXIMUM AWARD AMOUNTS, MAXIMUM PER UNIT AMOUNTS:

1. Homeowner Housing Rehabilitation with or Without Rental Units:

Homeowner Housing Rehabilitation: funds may be requested for the repair or rehabilitation of an owner-occupied single-family (1-4) unit dwelling unit to meet NYS and/or Local Code upon completion of construction activities.

Maximum Award up to \$450,000 – Maximum Per-unit up to \$50,000

Homeowner Housing Rehabilitation with Rental Units: funds may be requested for housing rehabilitation of the homeowner unit and additionally rehabilitating HOME eligible rental units in a single family (2-4 unit) property.

Maximum Award up to \$450,000 – Maximum Per-unit up to \$50,000

2. Manufactured Housing Replacement

As an owner-occupied housing rehabilitation activity, funds may be requested to assist an owner to demolish and dispose of a sub-standard manufactured home and replace it with a new manufactured home. Manufactured home replacement is considered reconstruction for the purposes of the HOME Local program.

Maximum Award up to \$600,000 – Maximum Per-unit up to \$100,000

3. Homebuyer Purchase Assistance With or Without Housing Rehabilitation

Homebuyer Purchase Assistance: funds may be requested to assist a homebuyer to provide down payment and/or closing cost assistance to purchase a single family (1-4) unit, non-HOME assisted existing home or newly constructed home.

Maximum Award up to \$400,000 – Maximum Per-unit up to \$80,000

Homebuyer Purchase Assistance with Housing Rehabilitation: funds may be requested to assist a homebuyer to provide down payment and/or closing cost assistance and funds for housing rehabilitation to purchase a single family (1-4) unit, non-HOME assisted existing home.

Maximum Award up to \$600,000 – Maximum Per-unit up to \$80,000

4. Homebuyer Development New Construction or Acquisition with Housing Rehabilitation (CHDO and non-CHDO)

Funds may be requested to assist a CHDO or an LPA to acquire an existing, vacant, substandard home that will be substantially rehabilitated and then sold to a HOME eligible home buyer, or to build a new construction home that will be sold to a HOME eligible buyer.

Maximum Award up to \$750,000 – Maximum Per-unit up to \$75,000

5. Tenant based Rental Assistance (TBRA)

Funds may be requested to provide monthly tenant-based rental assistance to assist families at or below 60% of area median income that have applied for a Housing Choice Voucher (Section 8) rental subsidy and are currently on the waiting list for assistance. Security deposits and tenant utility deposits may also be eligible.

Maximum Award up to \$400,000 – Maximum Per-unit up to \$40,000

Applicants may submit a maximum of two applications in response to this NOFA; applicants may only choose one eligible activity per application and to administer per awarded contract.

APPLICATION FOR FUNDING

The NYS Home Local Program application for funds available through this NOFA and corresponding RFP will be available on the NYS Homes and Community Renewal website, www.nyshcr.org/Funding/, **on Wednesday, September 19, 2018. Applications are due no later than 4:00 pm Friday, November 16, 2018.** Applications must be submitted using the Community Development Online Application System (CDOL) at: <http://www.nyshcr.org/Apps/CDOnline/>.

The above-stated HOME application deadlines are firm as to date and hour. In the interest of fairness to all competing applicants, applications received after the specified date and time will be deemed ineligible and will not be considered for funding. Applicants should make early submission of their applications to avoid risks of ineligibility resulting from unanticipated delays or other delivery-related problems.

Applicants may make a request, based on demonstrated need, to submit a paper application in lieu of using the CDOL application system. Requests for approval to submit a paper application must be sent to: Mr. Christian Leo, President, NYS Homes and Community Renewal, Office of Community Renewal, Hampton Plaza, 38-40 State Street, 4th Floor South, Albany, NY 12207.

NEW YORK STATE GRANTS GATEWAY PREQUALIFICATION

New York State Grants Gateway is a statewide effort that will improve the way New York State administers grants by simplifying and streamlining the grants management process.

Effective August 1, 2013, not-for-profit organizations must be prequalified in order to do business with New York State. To prequalify, not-for-profit organizations must submit an online Prequalification Application through the Grants Gateway. The Prequalification Application is comprised of five components to gauge your organizational structure and the types of services you provide. The required forms and document uploads are all part of the Grants Gateway Document Vault. Resources to complete the application and associated document vault can be found in the Quick Links Section of the Grants Gateway page at <http://grantsreform.ny.gov/>.

CONTACT INFORMATION

For inquiries or technical assistance regarding the NYS CDBG and HOME LPA programs, please contact:

*NYS Home and Community Renewal
Office of Community Renewal
38-40 State Street, 4th Floor South
Albany, NY 12207
Telephone: (518) 474-2057*

THIS NOTICE WAS PREPARED AND SUBMITTED BY:
CHRISTIAN LEO, PRESIDENT
HOUSING TRUST FUND CORPORATION
OFFICE OF COMMUNITY RENEWAL
38-40 STATE STREET, 4th FLOOR
ALBANY, NY 12207
OCRINFO@NYSHCR.ORG
[HTTP://WWW.NYSHCR.ORG](http://WWW.NYSHCR.ORG)

Wednesday, September 19, 2018

B. ELIGIBLE ACTIVITIES

In selecting eligible activities, communities should be aware that although an activity may be legally eligible under the federal statute and HUD regulations, it may not be competitive under OCR's evaluation criteria. An activity being considered for a State CDBG application should be compared against the evaluation criteria for that category before a decision is made to prepare an application. Below is an edited list of eligible activities identified at Section 105(a) of the Housing and Community Development Act of 1974, as amended and 24 CFR 570.482, as amended.

Additional information on eligible activities can be found at <https://www.hudexchange.info/resource/2179/guide-national-objectives-eligible-activities-state-cdbg-programs/>

1. Acquisition of real property;
2. Disposition of any real property acquired with CDBG funds or its retention for public purposes;
3. Acquisition, construction, reconstruction, or installation of public works, facilities and site or other improvements;
4. Clearance, demolition, removal, reconstruction, and rehabilitation of buildings and improvements;
5. Public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreation needs;
6. Code enforcement in deteriorated or deteriorating areas;
7. Removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;
8. Payments to housing owners for losses of rental income;
9. Assistance to institutions of higher education;
10. Payment of the non-Federal share required in connection with a Federal grant-in-aid program;
11. Relocation payments and displacement assistance;
12. Activities necessary to develop a comprehensive community development plan;
13. Payment of reasonable administrative costs;
14. Assistance including loans (both interim and long-term) and grants for activities which are carried out by public or private nonprofit entities;
15. Assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities in non-entitlement areas to carry out a neighborhood revitalization or community economic development or energy conservation project;
16. Activities necessary to the development of energy use strategies;
17. Assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project;
18. Provision of technical assistance to public or nonprofit entities;
19. Housing services;
20. Assistance to institutions of higher education;
21. Assistance to public and private organizations, agencies, and other entities (including nonprofit and for-profit entities) to facilitate economic development;
22. Activities necessary to make essential repairs and to pay operating expenses necessary to maintain the habitability of housing units acquired through tax foreclosure proceedings;
23. Provision of direct assistance to facilitate and expand homeownership;
24. Lead-based paint hazard evaluation and reduction; and
25. Special assessments.

C. INELIGIBLE ACTIVITIES

1. Buildings, or portions thereof, used for the general conduct of government cannot be assisted with CDBG funds. This definition does not include such facilities as neighborhood service centers or special purpose buildings that may house services provided by government at decentralized locations. However, the removal of architectural barriers within public buildings to make them more accessible to elderly and handicapped persons is an eligible activity.
2. General government expenses, except for those costs directly attributable to administration of a local CDBG program and documented as such.
3. The general rule is that the purchase of equipment with CDBG funds is ineligible. An exception is that compensation for the use of construction equipment through leasing, depreciation, or use allowances pursuant to OMB circulars A-200 (replaces A-87 and A-122), as applicable, for an otherwise eligible activity is an eligible use of CDBG funds.
4. The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions are operating and maintenance expenses associated with public service activities, interim assistance and office space for program staff employed in carrying out the CDBG program.
5. The general rule is that CDBG funds cannot be used for income payments for housing or any other purpose. Examples of ineligible income payments include: payments for income maintenance; housing allowances, down payments and mortgage subsidies. One time payments made on behalf of persons or families to meet emergency needs such as housing or essential utilities is not an income payment and is eligible.

D. CITIZEN PARTICIPATION

The Federal Housing and Community Development Act “encourages citizen participation, with particular emphasis on participation by persons of LMI” both in the preparation of CDBG applications and throughout the implementation of local CDBG projects. Specifically, the Act requires public hearings “to obtain the view of citizens on community development and housing needs” and on “proposed activities.” Congress has mandated that the hearings “be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped”. Therefore, public hearings should be held at a time and place convenient to the public, with accommodations for persons with disabilities. For hearings where a significant number of non-English speaking persons can reasonably be expected to participate, the notice must also be in the appropriate language(s) and provision must be made for interpreters at the public hearing. Notice of public hearings should also be directed to persons of LMI or those persons who will benefit from or be affected by CDBG activities and/or groups representing LMI persons.

Prior to submitting an application, Applicants must meet the citizen participation requirements at 24 CFR 570.486 and New York State’s Citizen Participation Plan, as amended which require Applicants to follow a citizen participation plan providing for a minimum of one public hearing (one in each jurisdiction of a joint application) prior to the submission of an application for funding, public availability of the application for inspection at the municipal office(s), and one public hearing, if awarded, to be held during the administration of the grant to solicit comments on the effectiveness of the program’s administration. Applicants must comply with the following citizen participation requirements:

- Provide for and encourage citizen participation, particularly by LMI persons who reside in slum or blighted areas and areas in which CDBG funds are proposed to be used;
- Ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to the proposed and actual use of CDBG funds;
- Furnish citizens with information, including, but not limited to:
 - The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and anticipated Program Income);
 - A listing of the activities to be undertaken with CDBG funds;
 - The estimated amount of CDBG funds proposed for activities that benefit LMI National Objective;
 - The proposed CDBG activities likely to result in displacement and the municipality’s anti-displacement and relocation plan required under 24CFR 570.488;
 - The amount of funds awarded;
 - The types of activities funded; and
 - Progress towards program goals and objectives;
- Provide technical assistance to group’s representative of persons of LMI that request assistance in developing proposals in accordance with the procedures developed by the State. However, such assistance need not include providing funds to such groups;
- Hold a minimum of two public hearings, one at the time of application and one during the grant administration process, for obtaining citizens’ views and responding to proposals and questions. The first public hearing must be held by a quorum of the Legislative Body of the Applicant prior to the preparation and submittal of an application and the second during the administration of an awarded grant to provide input on the effectiveness of the administration of the grant. The public hearing should provide citizens with reasonable notice of, and an opportunity to comment on, proposed activities in an application to the State and grant administration activities; and
- Public notice must be provided before public hearings are held. Notice of each public hearing must be published at least once in a newspaper of general circulation in the community at least seven (7) days prior to the hearing. Note that the date of publication is day “zero”. The hearing notice must be conspicuously posted in one or more public locations at least seventy-two (72) hours prior to the actual hearing. This may also be accomplished by posting to the municipal website. At a minimum, public notices should contain the time and place of the hearing, offer accommodations for persons with disabilities and include an invitation to submit written comments and where to direct such comments. Additionally, public hearings held at specific times in the process require specific information in the public notice. Public notices should contain information about the amount of CDBG funds available and the types of activities eligible for CDBG funding and information about the proposed activities and the amount of funds being requested. A template for the first public hearing notice can be found in these instructions below or at: <http://www.nyshcr.org/Funding/>. Public notices for public hearings held during grant administration should contain

information on the amount of CDBG funds awarded, the type(s) of activity(ies) funded, and the progress towards beneficiary goals and program objectives.

- Provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in an application to the State and, for grants already made, activities, which are proposed to be added, deleted or substantially changed from the application submitted to the State.

In all cases, a quorum of the local governing body must conduct the required public hearings, even if the local government is considering applying on behalf of a Subrecipient, such as a local housing authority, human resource development council, or a county water or sewer district. Having the local government conduct the hearings, rather than delegating the task to a potential recipient of the CDBG funds, provides the most objective forum for considering alternative community needs (and potentially competing proposals for CDBG projects) and encourages a frank discussion regarding any proposed community development projects. Prior to submission of its application to the Office of Community Renewal (OCR), the Applicant has met the citizen participation requirements at 24 CFR 570.486 and New York State's Citizen Participation Plan as amended.

- Upload the Affidavit of Publication and **CLEAR, LEGIBLE COPY** of the legal notice as published for the public hearing.
- **Submit as one pdf single upload, do not upload multiple documents.**

First Public Hearing Notice Template

▪
(Items in BOLD and underlined are to be inserted by the entity holding the public hearing)

LEGAL NOTICE

Notice of Public Hearing
Name of Community

Name of Community will hold a public hearing on **Date and Time of Public Hearing** (*Hearing should be held at a time accessible and convenient to residents*) at **Location of Hearing** (*Hearing should be held in a publicly accessible location*) for the purpose of hearing public comments on the **Name of Community's** community development needs, and to discuss the possible submission of one or more Community Development Block Grant (CDBG) applications for the 2018 program year. The CDBG program is administered by the New York State Office of Community Renewal (OCR), and will make available to eligible local governments approximately \$45 million for the 2018 program year for housing, economic development, public facilities, public infrastructure, and planning activities, with the principal purpose of benefitting low/moderate income persons. The hearing will provide further information about the CDBG program and will allow for citizen participation in the development of any proposed grant applications and/or to provide technical assistance to develop alternate proposals. Comments on the CDBG program or proposed project(s) will be received at this time. The hearing is being conducted pursuant to Section 570.486, Subpart I of the CFR and in compliance with the requirements of the Housing and Community Development Act of 1974, as amended.

The location of hearing **is/is not** accessible to persons with disabilities. If special accommodations are needed for persons with disabilities, those with hearing impairments, or those in need of translation from English, those individuals should contact **list contact name** at **list contact information**, at least one week in advance of the hearing date to allow for necessary arrangements. Written comments may also be submitted to **list contact name and contact information** until **last date** to receive comments.

E. PROGRAM REQUIREMENTS

1. Environmental Review

Environmental review procedures contained in 24 CFR Part 58 applies to this program. In addition, 24 CFR 58.22 provides guidance on limitation on activities pending clearance and 24 CFR 50.17 provides guidance on decision points for projects subject to environmental procedures. Under part 58, Recipients assume all the responsibilities for environmental review, decision making and action pursuant to the National Environmental Policy Act of 1969 and the State Environmental Quality Review Act (SEQRA) and other provisions of law specified by the Secretary in 24 CFR part 58 that would apply to the Secretary were he or she to undertake such projects as federal projects. For further guidance, please refer to the OCR Grant Administration Manual at www.nyshcr.org.

2. Residential Anti-Displacement and Relocation

Applicants proposing activities that may involve displacement, permanent relocation or demolition or conversion of residential units occupied by low-income persons are responsible for complying with the regulations under the Uniform Relocation Act and Section 104(d) of the Housing and Community Development Act of 1974, as amended. The Act requires displacement of persons which may occur as a result of activities assisted with CDBG funds be minimized. HUD regulations require that if any CDBG activity could result in displacement, Applicants must adopt a plan for minimizing displacement of persons and mitigating any adverse effects of displacement on LMI persons.

Recipients of CDBG funds must provide reasonable benefits and relocation assistance to any person involuntarily and permanently displaced because of the use of CDBG funds to acquire or substantially rehabilitate property, including businesses. For projects that may entail the displacement of persons, the Applicant must replace all occupied and vacant, habitable LMI dwelling units demolished or converted to use other than as LMI housing as a direct result of activities assisted with CDBG funds. In addition, HUD requires that Recipients provide reasonable benefits to persons displaced because of use of CDBG funds in cases which are not governed by the Uniform Relocation Act.

3. Labor Standards

Applicants must comply with all applicable federal and state labor standards as required by the Davis-Bacon Act and Article 8 of the New York State Labor Law. It is the Applicant's sole responsibility to fully understand and comply with the requirements of the labor laws that impact the activity being proposed prior to applying. The impact of federal and/or state labor laws on the proposed activity must be reflected in the application for funding, particularly the cost of the project. Additional information may be obtained from <https://www.dol.gov/whd/govcontracts/dbra.htm>

4. Lead-Based Paint Requirements

The Residential Lead-Based Paint Hazard Reduction Act of 1992 amended the Lead-Based Paint Poisoning Act of 1971, which established the Federal lead-based paint requirements. In 1999, HUD issued a lead-based paint regulation, 24 CFR Part 35, in response to the regulations effective September 15, 2000 and updated on June 21, 2004. The lead-based paint regulation defines new work practices that must be followed when dealing with lead-based paint in older structures and expands requirements to protect occupants and workers from lead-based paint hazards until lead hazard reduction work is completed.

All residential rehabilitation must also follow 40 CFR Part 745, the Environmental Protection Agency (EPA) rules for renovation, repair and painting and which were adopted by HUD. The OCR may require full unit lead based paint risk assessments and full unit clearance for all housing rehabilitation activities.

Applicants must comply with the lead-based paint requirements implemented at 24 CFR Part 35 and 40 CFR Part 745, if proposing activities involving residential properties or facilities, operated by the owner and commonly used by children under seven years of age, such as a child care center, purchased or rehabilitated in whole or part with CDBG funds excluding:

- Housing constructed on or after 1978;
- Housing specifically for the elderly, such as a senior housing complex or a facility intended to provide housing specifically for persons with disabilities, unless a child under 6 resides or is expected to reside in the housing;
- Dwellings without bedrooms, i.e., efficiencies and military barracks;
- Foreclosure sales;
- Short-term leases of 100 days;
- Renewal of leases where all information has been disclosed previously and where lessor has acquired no new information ("renewal" is defined under the regulations to "include both re-negotiation of existing lease terms and/or ratification of a new lease"); or

- Housing which has been inspected and found to be free of lead-based paint by a certified inspector.

Applicants are required to identify lead-based paint compliance for both 24 CFR Part 35 and 40 CFR Part 745 in the application for CDBG assistance and outline the local plan for addressing lead-based paint hazards.

5. Program Income

Beginning April 1, 2019, all program income received by local recipients must be returned to the HTFC as follows:

- For all receipts, legally designated for local Revolving Loan Fund (RLF's), the funds should be returned immediately to the HTFC.
- For all other receipts from CDBG activities, the funds may be accumulated in a separate local account and returned to the HTFC at the end of the State fiscal year, along with a Program Income Report.

➤ No funds received after April 1, 2019 may be directly disbursed to activities by the local recipient.

Recipients must file a CDBG Program Income Report annually at the end of each State fiscal year. The Report must identify all receipts, including funds received that are not program income (i.e., less than \$35,000 during the State fiscal year.)

Recipients must file the Program Income Report for the 2018-2019 fiscal year ending March 31, 2019. The OCR will be updating the report format to reflect the changes in policy. The Report will identify all funds obligated to eligible activities as well as all funds returned to the HTFC. The Report will be due April 30, 2019 along with remittance of program income not committed.

Beginning April 1, 2019, all program income received must be returned to the HTFC at the end of the State's fiscal year. The Program Income Report must be completed only to identify the sources of program income being transmitted to the HTFC.

See N. New York State CDBG Program Income Policy Fact Sheet

F. PROGRAM ADMINISTRATION AND DELIVERY COSTS

Program delivery, engineering and administrative funds for housing projects **cannot exceed 18%** of the total grant amount requested, with **no more than 5% of the total grant amount requested for administration.**

Grant Administration Costs: Generally, these are costs associated with salaries, wages, and related costs of the grant recipient's staff, the staff of local public agencies, or other staff engaged in program administration for the awarded grant. General operating expenses are ineligible for reimbursement from the grant funds. Examples of eligible administrative costs include:

1. Providing local officials and citizens with information about the program;
2. Preparing program budgets and schedules and amendments thereto;
3. Developing systems for assuring compliance with program requirements;
4. Costs associated with the Environmental Review Process for the overall program, including the release of funds.
5. Preparing Requests for Proposals with consultants for grant administration or other consulting work, such as architectural or engineering services.
6. Developing interagency agreements and agreements with sub recipients and contractors to carry out program activities;
7. Monitoring program activities for progress and compliance with program requirements;
8. Preparing reports and other documents for submission to the State regarding the grant;
9. Coordinating the resolution of audit and monitoring findings;
10. Evaluating program results against State objectives; and
11. Managing or supervising persons whose primary responsibilities about the program include such assignments as those described above;
12. Costs incurred for official business travel in carrying out the program and administrative services performed under a third-party contract.
13. Purchase of capital equipment, such as file cabinets, for grant administration.
14. Training on CDBG grant administration requirements.

For more information concerning eligible administrative costs, applicants should read 24 CFR Subpart C 570.206.

Program Delivery Costs: These are those costs that can be directly attributed to activities for delivery of specific proposed activities. These include in-house staff or third party costs.

1. For housing rehabilitation, these activities can include:
 - a. Marketing grant activities;
 - b. Services verifying client eligibility, applicant in-take and processing;
 - c. Providing education or counseling to beneficiaries;
 - d. Preparation of site specific environmental review and environmental assessment such as SHPO determinations, well testing or phase 1 archaeology;
 - e. Development of construction specifications, bid preparation and contracting;
 - f. Compiling cost data on individual housing units receiving CDBG assistance;
 - g. Construction monitoring and on-site monitoring;
 - h. Payment processing;
 - i. Filing fees and related legal expenses;
 - j. Engineering and/or architectural fees monitoring;
 - k. Client/contractor troubleshooting
 - l. Any other professional services required to deliver the program

G. LMI NATIONAL OBJECTIVE COMPLIANCE REQUIREMENTS

1. Primary Objective

The Primary Objective of the Community Development Block Grant Program is to benefit LMI persons. At least 70% of New York State's CDBG allocation must be allocated to activities, which meet the Primary Objective of benefitting LMI persons. For an activity to qualify as benefitting LMI persons, at least 51% of the persons benefiting from the activity must be LMI persons.

Census data and local surveys are the two sources of data for documenting benefit to LMI persons. It is noted that Census data cannot be rounded up. If the Census data shows that the percent of LMI persons is less than 51% (e.g. 50.6%), this figure cannot be rounded to 51%. In such a case, an Applicant may find it necessary to conduct an income survey. Refer to Appendix G for guidance on survey techniques.

Applicants need to determine how the National Objective requirement will be satisfied during the planning, implementing and documenting of CDBG projects. Each project must meet the Primary and National Objectives. When meeting the benefit to LMI persons National Objective, Applicants must ensure that moderate-income persons (80% of median income) are not benefited to the exclusion of low-income persons (50% of median income).

2. National Objectives

Each CDBG funded activity must meet one of three National Objectives:

1. Benefit LMI persons;
2. Aid in the prevention or elimination of slums or blight; or
3. Meet community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

Additional information on National Objective Compliance can be found at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/library/stateguide.

If satisfactory demonstration of compliance with a National Objective is not provided, the proposed activity will be considered ineligible and will not be considered for funding.

PROJECT TYPE	NATIONAL OBJECTIVE CODES AND BENEFICIARIES			
	LMI	URGENT NEED	SLUMS AND BLIGHT	
	LMH	URG	SBA	SBS
Housing Rehabilitation, Lateral, Well and Septic	Housing Units	Housing Units	Housing Units	Housing Units

LMH – Low/Mod Housing direct benefit: activities that are carried out for the purpose of providing or improving permanent residential structures, which will be occupied by low/mod income households. 24 CFR 570.208(a)(3)

URG – Urgent Need: activities that are carried out for the purpose of addressing an immediate threat to health, safety or welfare of the beneficiary and is of recent origin. 24 CFR 570.483(d). **Note:** This should only be selected for activities that are being proposed to address non-LMI housing needs within the designated disaster areas impacted by Hurricane Irene and Tropical Storm Lee. A separate activity for those units meeting the LMH National Objective should be identified.

SBA – Slum/Blight Area benefit: activities that address prevention or elimination of slums or blight in a designated area. 24 CFR 570.208(b)(3)

SBS – Slum/Blight Spot basis: site-specific activities that address conditions of blight or physical decay. 24 CFR 570.208(b)(2)

Meeting the National Objectives

Additional information on National Objective Compliance can be found at:

<http://www.hud.gov/offices/cpd/communitydevelopment/library/stateguide/index.cfm>

1. Benefit to LMI persons

Applicants must demonstrate that housing units to be assisted are occupied by low- and moderate-income persons or, in the case of multi-unit rehabilitation that at least 51% of the units are occupied or will be occupied by low- and moderate-income persons.

For the purposes of meeting this National Objective, CDBG activities are divided into three main categories: Area Benefit, Limited Clientele, Direct Benefit including housing and job creation or retention. Each activity proposed must fall under one of the above categories to be considered for funding. Activities in these categories qualify under the LMI benefit National Objective in one of three ways: Area Benefit, Limited Clientele or Direct Benefit. The Applicant must determine under which category their project meets the requirement to serve at least 51% LMI persons. The following information will assist with that determination.

Direct Benefit

Activities that are a Direct Benefit are designed to exclusively serve LMI persons. This method is used to determine the LMI benefit for activities that assist a specific known person or household. Activities that qualify under this benefit include residential rehabilitation or job creation activities. For example, a Direct Benefit activity occurs when the community has income eligibility requirements that limit the benefits of the CDBG activity to only LMI families.

Documenting LMI benefit for Direct Benefit projects is relatively clear-cut since potential Recipients of CDBG assistance are screened for income eligibility with the use of the most current HUD income limits for the county in which the project is located. Reference Appendix H for the 2018 HUD Income Limits or visit www.huduser.org/datasets/il.html.

2. Prevention and Elimination of Slum and Blight

Activities meeting the slum and blight National Objective may involve the rehabilitation or removal of slums and blight in the physical, economic and/or social environments. Activities may address any serious conditions identified in the areas of residential, infrastructure, commercial or industrial facilities. The overall program proposed should resolve all need indicated. CDBG activities directed toward the National Objective of preventing or eliminating slums or blight are divided into two main categories: area basis and spot basis.

Area Basis

Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

- The area delineated by the Applicant must meet the definition of a slum, blighted, deteriorated or deteriorating area under State or local law. Applicants must use the strictest definition to determine eligibility. The New York State General Municipal Law Article 18-C, S-970-c defines "Blighted area" as an area within a municipality in which one or more of the following conditions exist: (i) a predominance of buildings and structures which are deteriorated or unfit or unsafe for use or occupancy; or (ii) a predominance of economically unproductive lands, buildings or structures, the redevelopment of which is needed to prevent further deterioration which would jeopardize the economic well-being of the people.
- Throughout the area there are a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration.
- The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area. Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is also undertaken.

Applicants claiming the prevention and elimination of the slum and blight National Objective on an area basis must be able to document that, at the time of application, a majority of the buildings in the area are deteriorated or dilapidated and the area itself is blighted.

Spot Basis

The elimination of specific conditions of blight or deterioration on a spot basis is designed to comply with the statutory objective for CDBG funds to be used for the prevention of blight, on the premise that such action(s) serves to prevent the spread to adjacent properties or areas. To comply with this National Objective, an activity must be

designated to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area and the activity must be limited to one of the following: acquisition, clearance, relocation, historic preservation, and/or rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety. To be detrimental to public health and safety, a condition must pose a threat to the public in general.

Applicants claiming the prevention and elimination of the slum and blight National Objective on a spot basis must be able to document the specific conditions of blight or physical decay for the eligible activity, demonstrate the public health or safety threat to the public and show that the area in which the property is located is outside a slum or blighted area.

Documentation officially designating areas of slums and blight, including the year of designation;

1. A map of designated area;
2. Provide the number of structures in area and the total number of structures that are dilapidated;
3. Describe the conditions that lead to a determination of slums and blight;
4. Describe the Applicant's plan to eliminate the conditions that led to a determination of slums and blight.

3. Urgent Community Development Needs:

Evidence that the condition resulting in the need for the proposed activity is of recent origin or recently became urgent (e.g. a condition that developed, or became critical, within 18 months of application).

Describe the nature and immediacy of conditions which pose a serious threat to the health and or welfare of the community.

Explain why the Applicant is unable to finance the proposed activity on its own and why other resources are not available to fund the proposed activity.

Describe the population affected by the threat, the number of persons to benefit and the extent to which the threat will be eliminated.

An activity that fails to meet one or more of the applicable tests for meeting a National Objective does not comply with CDBG rules.

I. DATA COLLECTION

As part of the application process, Applicants will need to provide income data to demonstrate the need and/or market for each activity proposed and to provide evidence that each activity will meet a National Objective. For activities meeting the National Objective of assisting LMI persons and/or households, two types of data can be used to demonstrate compliance – Census data or income survey data. In addition to collecting income data, Applicants must use other methods for documenting need.

A. Census Data

The most recent Census data can be used to determine and provide evidence of compliance with the LMI Area Benefit National Objective. If it is believed that the data does not accurately reflect the current economic condition of the area, the Applicant may conduct an income survey. Income surveys may be conducted if:

- The proposed activity is in a Census Tract or Block Group that has less than 51% LMI persons based on the most recent available Census data and the Applicant has reason to believe that the Census information is not accurate and the area is primarily LMI;
- The activity is in a Census Tract or Block Group that has at least 51% LMI persons, based on the most recent available Census data, but does not serve the entire Census Tract, or Block Group, or it serves portions of several Census Tracts or Block Groups;
- The service area (area benefiting from the activity) of the proposed activity is not contiguous with any Census designated area for which data is provided.

B. Income Surveys

Applicants may need to conduct an income survey to document compliance with the LMI Area and Direct Benefit National Compliance requirements. Applicants using a third-party to conduct an income survey must obtain all the survey documents (instrument, summary, surveys) and retain this information in their project files.

1. LMI Direct Benefit National Objective

For projects meeting a Direct Benefit National Objective such as housing rehabilitation, and wastewater and drinking water laterals where eligibility is directly based on the individual household income, with the use of income survey data, Applicants must demonstrate that there is a LMI market and a need for the direct benefit activity being proposed.

2. LMI Area Benefit National Objective

For Area Benefit activities, income survey data may be used to demonstrate that 51% of the area is LMI and to aid in demonstrating the LMI need for the proposed activity.

Defining the Service Area

Applicants must first determine the service area for their project to determine the total number of residential units (occupied, vacant and seasonal) in the project area. Activities that benefit an entire community are considered to have an area wide benefit and the service area is the entire community excluding social service residences such as those operated by the New York State Office of Mental Retardation and Developmental Disabilities, group quarters, prisons, dormitories, etc. Activities that benefit a smaller or targeted group only benefit a designated area of a community. If you are trying to determine the LMI status of households in a neighborhood that is benefiting from a NYS CDBG funded activity, that neighborhood is the service area. Instead of a neighborhood, the service area may be a town, it may be as large as a county, or it may be defined some other way.

Non-Random Income Survey

A non-random income survey is conducted when an Applicant wants to survey the entire service area of an activity. This type of income survey is typically used in areas with a relatively small population and the intent is to gather information from 100% of the households in the service area.

Response Rates

After defining the size of the service area, the Applicant must determine the number of responses needed to estimate the overall characteristics of the service area accurately. Using the tables below, Applicants can determine the number of households that must respond to the income survey.

NON-RANDOM INCOME SURVEY: REQUIRED RESPONSE RATE

# OF HOUSEHOLDS IN THE SERVICE AREA	REQUIRED RESPONSE RATE
1 - 50	95%
51-100	90%
101-200	80%
201-300	70%
301-400	60%
401-600	55%
601-800	50%
800-1000	45%
1,000 or more	40%

The following formula should be used to determine the survey response rate:

$$\frac{\text{Total Number of Surveys Returned}}{\text{Total Number Surveyed}} = \text{Response Rate}$$

If the initial response rate is lower than the required response rate, Applicants must either repeat follow-up actions or survey additional persons. **Applicants that do not meet the minimum response rate will be at risk of a determination of non-compliance of the LMI National Objective. Applicants must include as an attachment to their application, the survey methodology and a tabulation of the survey results. OCR reserves the right to review, re-tabulate and ultimately reject any questionable survey methodology, instruments and data. Applicants should be prepared to defend the validity of their survey methodology, instruments and data when the LMI Area Benefit is demonstrated to be no more than 55%.**

Applicants can achieve more accurate estimates if they do not write off a household as unreachable too quickly. When conducting a door-to-door income survey, Applicants should make two or more passes through the area (at different times) to try to catch a family at home. Only after at least two tries or an outright refusal should a sampled

household be replaced. No matter what you do, however, some households just will not be home during the time of interviewing, some probably will refuse to be interviewed, some will terminate the interview before you finish, and some will complete the interview, but fail to provide an answer to the key question on household income. In order to be considered an adequate response, the interview must be completed, and you must obtain complete and accurate information on the respondent's household income.

Applicants must ensure that the entire service area is surveyed. When tabulating the results of the survey, Applicants may identify surveys that were not completed accurately or vital information is missing. In such cases, the survey must be rejected and included in the non-LMI tabulation.

Vacant and Seasonal Housing

All vacant and seasonal housing units must be included in the total number of households and persons benefiting. However, for the purpose of conducting an income survey and meeting the required response rate, these units are deducted from the group to be surveyed. The applicant must clearly demonstrate on a map, the exact location of all vacant and seasonal housing.

II. DESIGNING THE INCOME SURVEY QUESTIONNAIRE

It is important that all the individuals surveyed are asked the same exact questions in the same format and the responses are recorded correctly. To ensure this, a written questionnaire is needed. Each question should be clear, written in simple language, and convey only one meaning. Applicants should include questions designed to elicit information that will substantiate compliance with the National Objectives as well as questions that are considered important to the activity.

Applicants should be aware that experience has shown that overly detailed surveys may adversely affect the response rate. Income survey questions should be designed to provide, at a minimum, data regarding family size, household income, housing tenure, head of household status and racial and ethnic composition. The survey should request the respondent to provide their annual household income or the most recent HUD Income Limits should be listed in ranges that will allow the Applicant to determine whether the respondent is at or below 30%, 50%, or 80% of area median income or above.

Types of Survey Questions

When designing the income survey questionnaire, Applicants should select the best format that will solicit the information needed. There are two question formats that Applicants can use in an income survey: open-ended and closed-ended. An example of an open-ended question is: "What do you think is this community's most important need?" The respondent can answer in any way he/she chooses. Usually, several blank lines are provided for an answer.

A closed-ended question is one that forces the respondent to make a choice: "Do you like the new community center?" Answer yes or no. "Is your income below \$5,000; between \$5,000 and \$10,000; or above \$10,000?" Typically, closed-ended questions have a box to check for the appropriate answer.

Income survey questions should be brief and simple and should not be loaded or biased. The interviewer should not imply that the neighborhood would benefit or receive federal funding if respondents say that they are of LMI. The questions must be designed to determine truthfully and accurately whether respondents have LMIs. It is permissible to note that the reason for the income survey is to gather essential information to support an application for funding under the State or to undertake a CDBG funded activity in the area.

Applicants should also bear in mind that questions about income are personal. Many people are suspicious or reluctant to answer questions about incomes -- especially if they do not understand the reason for the question. One way to handle this problem is to ask questions about income at the end of a somewhat lengthy questionnaire on other community development matters. In this instance, a local agency can use this questionnaire to gather some information on what the neighborhood sees as important needs or to gather feedback on some policy or project. At the end of such a questionnaire, it usually is possible to ask questions on income more discreetly. If this option is chosen, however, the interviewer should be cautioned that an excessively lengthy questionnaire might cause respondents to lose interest before it is over. The ideal length would probably be less than ten minutes, although certainly you could develop a longer questionnaire if it were necessary.

Of course, it is also possible to ask only the critical questions on income. You should know best how people in your community will respond to such questions. With a proper introduction that identifies the need for the information, you can generate an adequate level of response with just a two-question questionnaire on income level.

Appendix H contains the 2018 HUD Income Limits (Limits) for use in determining eligible income. Income limits can also be found at <https://www.huduser.gov/portal/datasets/il.html>. The Limits are arranged by Metropolitan Statistical Area and County. They show the area median income and

the income limits at 30%, 50% and 80% by household size. Applicants use the income limits in the income survey instrument and/or in calculating the results of the income survey. Household size and income are needed to determine if a household meets the LMI requirements.

Racial/Ethnic Composition Data

HUD requires racial and ethnic composition data on all beneficiaries of the State CDBG Program for input into their Integrated Disbursement Information System. OCR also provides this data to HUD in its Annual Performance Report to HUD. **Even though racial and ethnic data is not required as part of this application, OCR will request this information from Recipients in the Annual Performance Report.**

Applicants may choose to collect the racial/ethnic composition data from potential program participants during the income survey or application intake (direct benefit activities) stages. The following chart represents the racial and ethnic categories designated by HUD and how they should be reported.

III. INCOME SURVEY MATERIALS

* HUD has designated Hispanic as an ethnic group that is applicable to all races. A household or person may be identified as both a member of a racial group and an ethnic group.

Racial/Ethnic Composition		
Racial Categories (HUD Designated)	Racial Group	*Hispanic
	Total # Of	Total # Of
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native and White		
Asian And White		
Black/African American And White		
American Indian/Alaskan Native & Black/African American		
Other Multi-Racial		
Totals		

Income survey materials should include detailed concise information that will aid in the successful collection of the information solicited. At a minimum, the following information should be provided to the residents:

- A brief description of why the income survey is being conducted (without stating the preferred response) and an explanation of why demographic data is being requested. This may be presented in a written or verbal format depending on the survey method.
- A statement assuring that the information is confidential. **OCR strongly advises applicants to inform candidates of the survey that the information collected is confidential and is not subject to the Freedom of Information Act (FOIA).**
- The name and telephone number of a person to be contacted if the respondent has any questions.
- Instructions for completing the questionnaire, such as **what types of income are counted toward household income and the difference between household size and number of dependents.**

At a minimum, the household size, income and demographics, the respondent’s signature, date, and address should be collected.

IV. CONFIDENTIALITY

Applicants must ensure that the income survey process used to substantiate compliance with the LMI National Objectives includes a way to identify specific households who responded to the questionnaire, yet ensures the respondent’s confidentiality. **Each income survey should include a statement ensuring respondent confidentiality and the process the applicant will undertake to ensure confidentiality.**

To preserve confidentiality, the income survey materials should be in two parts or consist of two separate pages. **The**

section with the respondent's name and address must be separated from the income and demographic data after receipt. All documents related to the income survey should be stored in a locked cabinet or other secure area, which has limited access. The Applicant must impress upon those working with the income survey data the importance of confidentiality.

Questions concerning household income and other personal questions are sensitive topics and applicants need to take this under consideration when developing their questionnaire and determining their Income survey method. **If a respondent's address is requested on the questionnaire, many persons may not answer the questions relating to income truthfully, answer the questions at all, or not complete the questionnaire in its entirety.** To promote a high response rate and solicit accurate information, the questionnaire should not include identifying information, such as the person's name or address. The following are examples of acceptable methods for preserving anonymity of Income survey respondents:

- A. Applicants may hand deliver the questionnaire to the respondent or conduct the income survey orally. At the time of delivery or upon completion of the interview, the surveyor would mark off the respondent's address from an address list. If the hand delivered questionnaire is to be returned by mail or collected by the applicant at a later date, the collector can check off the respondent's address on the address list at the time of collection.
- B. If the questionnaire is to be mailed and returned by mail, the identifying information (respondent's address) can be on the return envelope. Upon receipt of the completed questionnaire, the applicant can check off the respondent's address on the address list. The envelope and questionnaire can then be separated and the envelope destroyed.
- C. Questionnaires may be coded which entails a simple method of placing a number on the questionnaires or return envelopes. Each number is assigned an address from an address list. When the questionnaire is received, a list of the codes is maintained.
- D. Questionnaires may consist of two parts or two separate pages. The section with the respondent's name and address can be separated from the income and demographic data after receipt. Where a door- to- door income survey is being conducted, the interviewer can instruct the respondent to separate the two parts of the questionnaire after completion, and place the part with the income information in one envelope and the other part in another envelope.

Excluding the two-part questionnaire method, applicants can review the address list to determine which addresses did not respond to the questionnaire and require follow-up contact.

**SURVEYS OF HOUSING CONDITIONS SHOULD BE CONDUCTED
SEPARATELY TO ENSURE RESPONDENT CONFIDENTIALITY.**

H. HUD INCOME LIMITS

HUD income limits are available at: <https://www.huduser.gov/portal/datasets/il.html>

I. DEFINITIONS OF ANNUAL HOUSEHOLD INCOME (24 CFR PART 5)

General Category	Statement from 24 CFR 5.609 paragraph (b) (April 1, 2004)
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in number 14 of Income Exclusions).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare Assistance	<p>Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:</p> <ul style="list-style-type: none"> ▶ Qualify as assistance under the TANF program definition at 45 CFR 260.31; and ▶ Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). <p>If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:</p> <ul style="list-style-type: none"> ▶ the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus ▶ the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. Armed Forces Income	All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).

Household Income Exclusions (Part 5)

General Category	Statement from 24 CFR 5.609 paragraph (c) (April 1, 2004)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Disabled Persons	Certain increases in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671(a)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. Armed Forces Hostile Fire Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul style="list-style-type: none"> a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparations	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	<p>Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions of 24 CFR 5.609(c) apply, including:</p> <ul style="list-style-type: none"> ▶ The value of the allotment made under the Food Stamp Act of 1977; ▶ Payments received under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions); ▶ Payments received under the Alaskan Native Claims Settlement Act; ▶ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians; ▶ Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes; ▶ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program; ▶ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721); ▶ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands; ▶ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs; ▶ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program); ▶ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.); ▶ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments; ▶ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990; ▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps); ▶ Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation; ▶ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990; ▶ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran; ▶ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and ▶ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

K. ENERGY STAR PERFORMANCE STANDARDS FOR BUILDINGS

WHAT IS THE ENERGY STAR BUILDING PERFORMANCE STANDARD?

For residential single and multifamily new construction, up to 3 stories, it is a system for achieving **and** verifying a certain level of performance with respect to energy efficiency. Performance is certified by independent third-party contractors. The Energy Star standard is uniform throughout the United States, and a national infrastructure exists for implementation.

ENERGY STAR is not a new building code, or specification. It does not replace existing energy codes or building codes. "Efficiency" means total purchased house energy consumption, not only heating, cooling and hot water.

An Energy Star home is **at least** 30% more energy efficient than a comparable home built to meet the 1993 national Model Energy Code or 15% more efficient than state energy code, whichever is more rigorous. See www.energystar.gov for more information, including the new performance guidelines to be applied for most homes beginning July 1, 2006.

An Energy Star Home/Building is defined as one which has been **certified** through inspection and **testing** as meeting the Energy Star Qualified New Homes Standard. To achieve this rating the building must score less than or equal to 80 in the North (≤ 85 South) on the Mortgage Industry Home Energy Rating Scale (HERS).

HERS Scores give a numeric value between 0 and 100 indicating the relative energy efficiency of a given home as compared with the HERS Energy-Efficient Reference Home (EERH) as specified by the HERS Council Guidelines. The lower the score, the more efficient the home. A home with zero energy use (total energy consumption) scores 0.

WHAT DO HERS CONTRACTORS DO?

- Review builders plans for Energy Star Performance
- Evaluate and rate energy efficiency of buildings.
- Provide independent 3rd Party inspections AND testing.

Inspection – The home energy rater inspects the home, and with software, measures its energy characteristics, such as insulation levels, window efficiency, wall-to-window ratios, the heating and cooling system efficiency, the solar orientation of the home, and the water heating system.

Testing – Diagnostic testing, such as blower door for building air leakage and duct blaster testing for forced air systems leakage is part of the rating.

How does this all get incorporated into a Community Development Housing Program? Include the following language into your RFPs or procurement process for housing: *"All new and gut rehabilitation residential buildings up to three stories shall be designed to meet the standard for Energy Star Qualified New Homes (≤ 80 [85 for South] and >70 on the HERS Rating Scale). All procedures used for this rating shall comply with National Home Energy Rating System guidelines."* Believe it or not this is the only thing **you** have to do! The developer takes care of the rest.

ENERGY STAR REFERENCES

- **Energy Star:** www.energystar.gov
- **HUD's Energy webpage including "Energy Star for Grantees" PPT presentation:** www.hud.gov/offices/cpd/library/energy/
- **HUD PD&R Energy Efficient Rehab Advisor:** <http://rehabadvisor.pathnet.org/>
- **Residential Energy Services Network:** www.resnet.us
- **Very comprehensive technical stuff in English:** www.buildingscience.com
- **DOE Webpage for State Energy Codes:** www.energycodes.gov
- **EIA Webpage for Energy uses by State:** <http://www.eia.gov/emeu/states/states.html>

L. DEFINITION OF SUBSTANDARD HOUSING

For housing rehabilitation projects, applicants must conduct a housing survey to determine the condition of the housing and classify it as standard, substandard or dilapidated. The following criteria must be used to classify the condition of all housing units to be rehabilitated with CDBG funding.

Structural Components - Upon structure inspection various components should be categorized as primary, mechanical or secondary as follows:

Primary Components - Foundation, exterior wall structure, roof structures, floor structures, columns, joists, and partitions.

Mechanical Components - Windows and doors, plumbing, heating, electrical, wells and septic systems.

Secondary Components - Siding material, roofing material, porches and exterior stairs and railings, chimneys, flooring material, ceilings, lighting, ventilation, interior stairs and railings.

Degree of Deficiency - After structural components are classified as primary, mechanical or secondary, they shall be assessed for the degree of deficiency as follows:

Critical Defects - Component is badly deteriorated, sinking, leaning, non-operative or non-functional, out of plumb, or unsafe to an extent requiring complete replacement. For example, 1) a complete electrical rewiring, 2) a complete new roof, 3) a plumbing system which requires extensive repair or none exists, 4) major repair of exterior structural elements (e.g. walls, sills, floor joists, rafters, large porches), 5) major repair of unstable or deteriorated foundation walls, or 6) a non-existent or dysfunctional septic system, a well with a spring of poor quality or quantity.

Major Defects- Component is badly deteriorated and in need of major repair or replacement.

Minor Defects - Component is worn, loose, or cracked and in need of repair.

Sound - Component needs no more than normal maintenance.

Structural Conditions – After determining the degree of deficiency, the structural condition must be determined.

Standard – Housing units that are in standard condition, have no critical or major structural defects, have adequate plumbing facilities and their appearance does not create a blighting influence. This condition requires no more than observable, normal maintenance; dwelling units which have no deficiencies, or only slight observable deficiencies.

Substandard - Housing units that have one or more major and/or critical structural defects, but can still be repaired for a reasonable amount. The degree of substandard is either moderate or severe according to the number of defects and the degree of deficiency.

1. Moderately Substandard - Housing units that have less than three major defects and can be restored to a standard condition for a reasonable cost.
2. Severely Substandard - Housing units that have three or more major defects or at least one critical defect and can be restored to a standard condition for a reasonable cost.

Dilapidated - Units that are determined to be substandard to a degree requiring clearance, or buildings which have three or more critical deficiencies that cannot be repaired to a standard condition for less than a reasonable amount. In these instances, a local determination must be made concerning the economic feasibility and the public benefit of such projects.

M. APPLICABLE LAWS AND REGULATIONS

There are numerous federal, state and local regulations that govern or impact the State CDBG Program. It is the responsibility of the applicant to ensure compliance with all applicable federal, state and local regulations and statutes. The following is a listing that is not all inclusive, of federal regulations that apply to the State CDBG Program:

- Davis-Bacon Fair Labor Standards Act (40 USC 276a);
- Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333);
- Copeland Anti-Kickback (18 USC 874)
- Title VI of the Civil Rights Act of 1964 (42 USC 200(d));
- Title VIII of the Civil Rights Act of 1968 (42 USC 3601);
- Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 792 and 3601);
- Section 3 of the Housing and Urban Development Act of 1968, as amended (12 USC 1701 (u));
- Section 109 of the Housing and Urban Development Act of 1974, as amended (42 USC 5309);
- Age Discrimination Act of 1975, as amended (42 USC 6101);
- Architectural Barriers Act of 1968, as amended (42 USC 4151);
- Americans with Disabilities Act of 1991;
- Equal Employment Opportunity (Executive Order 11246, September 24, 1965);
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259);
- The Hatch Act (5 USC 1501 et seq.);
- The National Environmental Policy Act of 1969;
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and amendments of 1987;
- Title IV of the Lead-Based Poisoning Prevention Act (42 USC 4831);
- HUD Reform Act of 1989;
- 24 CFR Parts 35, 58, 85, and 570;
- Housing & Community Development Act of 1974, as amended;
- Office of Management and Budget Circulars: A-200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. (Replaces A-133 and A-87)

N. NEW YORK STATE CDBG PROGRAM INCOME POLICY FACT SHEET

Definition Program Income

Program income is defined by HUD to include any “gross income received by a State, a unit of general local government, or a subrecipient of the unit of general local government that was generated from the use of Community Development Block Grant (CDBG) funds, regardless of when the CDBG funds were appropriated and whether the activity has been closed out...” 24 CFR 570.489(e)(1).

➤ Typical sources of program income include:

- Proceeds from the disposition by sale or long-term lease of real property purchased or improved with grant funds;
- Proceeds from the disposition of equipment purchased with grant funds;
- Gross income from the use or rental of real or personal property acquired by the unit of general local government with grant funds, less costs incidental to the generation of the income;
- Gross income from the use or rental of real property owned by the unit of general local government that was constructed or improved with grant funds, less the costs incidental to the generation of the income;
- Payments of principal and interest on loans made using grant funds;
- Proceeds from sale of loans or obligations secured by loans made with grant funds;
- Interest earned on funds held in a revolving fund account or earned on program income pending disposition of the income; and
- Funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where special assessments are used to recover all or part of the grant portion of a public improvement.

➤ For the **State** CDBG program, the rule provides for an annual threshold of \$25,000 (2000 – 2011) or \$35,000 (2012 – present) before receipts by local recipients must be counted as program income.

- If the total amount of receipts by the local recipient exceeds \$25,000 (2000 – 2011) or \$35,000 (2012 – present) during a given fiscal year (for the New York State Program, the State fiscal year is April 1 – March 31), **all funds received, including the initial \$25,000 (2000 – 2011) or \$35,000 (2012 – present), are considered program income.**
- If the total receipts by a local recipient in the State’s fiscal year do not exceed \$25,000 (2000 – 2011) or \$35,000 (2012 – present), then those funds are considered miscellaneous revenue and may be retained by the local recipients and moved to its general account. **This transfer may occur only at the end of a State’s fiscal year when total annual receipts are determined and approved by New York State Office of Community Renewal (OCR).**
- Note: **All revolving loan fund (RLF) receipts are considered program income**, regardless of the amount received annually, and are not eligible for this exclusion.

Proceeds That Are Not Program Income

The following proceeds are **not** considered program income under CDBG rules:

- As noted above, if the total amount of funds received (excluding RLF’s) does not exceed \$35,000 received during a State fiscal year (April 1 – March 31), the funds are considered miscellaneous revenue and may be retained by the local recipients and moved to its general account. This transfer may occur only at the end of a State’s fiscal year when total annual receipts are determined and approved by OCR.
- Proceeds from the sale of real property purchased or improved with CDBG funds if the proceeds are received more than 5 years after expiration of the grant agreement with the State.
- Community economic development, neighborhood revitalization and/or energy conservation projects activities by nonprofit organizations qualified under Section 105(a)(15) of the Housing and Community Development Act.

- Local recipients must consult with OCR staff regarding any proceeds that are received related to the Program which might not be classified as program income, or to prorate proceeds that are generated from an activity which is only partially assisted with CDBG funds.

Requirements For Use of CDBG Program Income Before March 31, 2019

Program income currently held or received by local recipients may be committed to a CDBG activity or activities prior to March 31, 2019, subject to the following conditions:

- The activity must be eligible under the current State Annual Action Plan.
 - Use of the funds is subject to all CDBG requirements, regardless of whether the activity that generated the program income has been closed out.
 - The local recipient must request approval of the use from OCR prior to making any commitment.
 - Commitment means either that the local recipient legislative body has formally approved funds for a specific project in the public record, or the local recipient has entered into a written agreement with a business, household or other eligible person that is the intended recipient of the funds committing to a specific activity.
 - The commitment cannot be subject to contingencies that could result in cancelation of the activity. If the activity is canceled subsequent to the commitment, the funds must be returned to the Housing Trust Fund Corporation (HTFC).
- Expenditure of the funds is not required by March 31, 2019 as long as the commitment requirements are met.
 - 24 CFR 570.489(e)(3)(ii)(C) states that “the State must require units of general local government, to the maximum extent feasible, to disburse program income . . . before requesting additional funds from the State for activities.”
 - **If the local recipient has any open CDBG grant, program income must be disbursed before drawing any new grant funds.** Use of program income under an open grant means either that the local recipient will increase the activities being funded under the current grant within the same contract term, or funds will be de-obligated at the end of the contract term. Extensions to the term of the open grant in order to expend additional program income funds will not be approved.
 - However, if the funds received have been legally designated by the local recipient to a RLF, disbursement of such funds can only be for activities permitted by the RLF.
 - Please note that OCR cannot award new CDBG funds to a local recipient that has accumulated program income sufficient to fund the proposed new activity.

Disposition of Program Income Received Starting April 1, 2019

Beginning April 1, 2019, all program income received by local recipients must be returned to the HTFC as follows:

- For all receipts legally designated for local RLF’s, the funds should be returned immediately to the HTFC.
 - For all other receipts from CDBG activities, the funds may be accumulated in a separate local account and returned to the HTFC at the end of the State fiscal year, along with a Program Income Report.
- No funds received after April 1, 2019 may be directly disbursed to activities by the local recipient.

Reporting Instructions

Recipients must file a CDBG Program Income Report annually at the end of each State fiscal year. The Report must identify all receipts, including funds received that are not program income (i.e., less than \$35,000 during the State fiscal year.)

Recipients must file the Program Income Report for the 2018-2019 fiscal year ending March 31, 2019. The OCR will be updating the report format to reflect the changes in policy. The Report will identify all funds obligated to eligible activities as well as all funds returned to the HTFC. The Report will be due April 30, 2019 along with remittance of program income not committed.

Beginning April 1, 2019, all program income received must be returned to the HTFC at the end of the State's fiscal year. The Program Income Report must be completed only to identify the sources of program income being transmitted to the HTFC.

Return of Funds Instructions

- Please contact Jason Purvis, Program Director at jason.purvis@nyshcr.org or (518) 474-2057 for instructions on how to return Program Income

Funds may only be returned by the local recipient, and not by any Subrecipient or Beneficiary

FREQUENTLY ASKED QUESTIONS (FAQ'S)
2018 Community Development Block Grant Program
Housing Rehabilitation and Home Ownership

- Q1. How do I know if my community is eligible to apply for Community Development Block Grant funds?**
- A1.** Eligible applicants for the New York State CDBG program are Cities, Towns, and Villages with a population under 50,000, and counties with populations under 200,000. These are often referred to as non-entitlement communities. Entitlements are those communities that may exceed these population thresholds or that meet other criteria as established by HUD to become an entitlement jurisdiction. For a complete list of eligible communities, please go to: <http://www.nyshcr.org/Programs/NYS-CDBG/EligibleCommunities.htm>
- Q2. When are the applications due?**
- A2.** All applications are required to be submitted through CDOL no later than 4:00pm on Friday, September 22, 2018. The CDOL will lock out all users at that time.
- Q3. Can the same consultant/Subrecipient/grant writer be an authorized as Security Manager for multiple municipalities?**
- A3.** Yes, but be sure that each municipality that is intending on submitting an application through CDOL has authorized the consultant/Subrecipient/grant writer as Security Manager.
- Q4. Can the requirement for public hearings be met by holding hearings after the application deadline as long as they're held before award?**
- A4.** No. Federal CDBG requirements found at 24CFR570.486 establish the citizen participation requirements for public hearings, which require that at least one public hearing be held by the unit of general local government **PRIOR** to the submission of the application or the due date, which for the current NOFA for CDBG housing activities, is September 28, 2018. For further information, please see the 2018 CDBG Housing Application and Instructions
- Q5. Who needs to hold the public hearing?**
- A5.** Federal CDBG requirements at 24CFR570.486 and at 24CFR91.115(e) specify that the public hearing be held by a quorum of the legislative body that is submitting the application. This can be conducted at a regular board meeting, or can take place during a special meeting, such as a budget hearing or annual organizational meeting.
- Q4. Can a committee or department, such as the planning department hold the hearing?**
- A4.** No. For the public hearing to follow Federal CDBG requirements for citizen participation, the hearing must be held by the legislative body that is authorizing submission of the application. This responsibility cannot be passed on to a committee or agency department.
- Q5. Is there a format for the public hearing notice or how the hearing needs to be conducted?**
- A5.** The Office of Community Renewal does not have a specific format; however, the notice should identify the program year and all eligible activities for which funds are being requested. Information provided at the hearing includes, but is not limited to, the amount of CDBG funds available, the amount of CDBG funds expected, the range of eligible activities, the estimated amount of CDBG funds proposed to be used to meet the national objective compliance of benefit to low-and moderate income persons, and the identification of any proposed activities likely to result in the displacement. The hearing should also provide technical assistance to group's representative of persons of low-and moderate income that request assistance in developing proposals. Hearings shall be conducted at times and locations convenient to potential or actual beneficiaries, with accommodations for the handicapped, and in a manner to address the potential needs of non-English speaking residents. Hearings must provide residents with reasonable advance notice of at least 7 days prior to the hearing, and an opportunity to comment on proposed activities. Hearings must also provide citizens with an address, phone number and times for submitting complaints and grievances, which must be responded to within 15 working days, where practicable.
- Q6. Can the applicant submit more than one application?**
- A6.** Yes, more than one application can be submitted by an eligible entity, provided the total amount

across all applications requested does not exceed the funding cap per activity by unit of local government.

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

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

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

Q8. If the application is proposing well and septic replacement only, is this exempt from lead based paint compliance?

A8. Well and septic replacement is required to still follow lead based paint requirements. In some instances, internal plumbing modifications may be required which could disturb lead based paint.

Q9. For a lateral connection assistance program, who is eligible to receive assistance?

A9. Lateral connection assistance is treated as a housing rehabilitation program, only individual households that have been determined to be low-and moderate income are eligible to receive lateral connection assistance.

Q10. Is there a maximum amount of CDBG housing assistance that can be provided to a single household or housing unit?

A10. No. There is not a cap on CDBG assistance per unit or per household. The application should describe a thoughtful, necessary and rational approach when determining the amount of CDBG funds proposed per unit. When preparing the application, the total number of units proposed to be completed must take into consideration the amount of assistance that is being proposed to be provided.

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

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

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

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

Q13. Are letters of support mandatory?

A.13 These letters are not mandatory. However, letters of support, such as from property owners, local agency and business leaders that show true community support and need for the proposed activity, can help further demonstrate the community's need for the CDBG funds.

Q14. If an income survey conducted in 2015 shows an overwhelming need, and created a waiting list of several hundred applicants, how long would this information be valid for?

A14. With regards to types of surveys and re-surveys, this is more of a question of competitiveness. For example; a proposed housing rehabilitation program may have a waiting list of households looking

for assistance and that may include some information to show that prospective applicants on the list are income-eligible. We would expect some information to be included to demonstrate, in cases where the information may be somewhat dated, how this information is still relevant; however, it's not a question of eligibility as in the case of a sewer/water project and income survey data. Part of the evaluation in comparing applications is judging the accuracy of the data included and dated data may be viewed as less dependable if there is nothing to support the current needs identified and addressed by the proposed project.

Q15. For a housing program, does the application need to show that an income survey was conducted demonstrating that at least 51% of the residences are low-and moderate income (LMI)?

A15. No, an area wide income survey does not need to be conducted for a housing assistance activity. Since housing is treated as a direct benefit, households that do ultimately receive CDBG funds will be required to provide actual income documentation prior to receiving assistance. Therefore, the emphasis here is on the ultimate recipient of CDBG housing assistance. Demonstrating that a community or target area is predominantly low-and moderate income can make for a stronger application. For this type of activity, the application needs to demonstrate that outreach was conducted and that income surveys were conducted that can show that a sufficient pool of income eligible households exists in the project area and that the households have expressed an interest in participating in the program. This should be reviewed as a preliminary list to gauge interest in a housing program.

Q16. Can we use the consultant or Subrecipient that wrote the grant or retain other professional services to assist in the administration of a potential CDBG grant prior to award?

A16. Communities that intend to use CDBG resources to pay for professional services must follow federal procurement procedures and provide the Office of Community Renewal with information detailing the procurement process. If you secure the services of consultants before following approved federal CDBG procurement guidelines at 24CFR85.36, costs for such services will not be CDBG reimbursable. The cost for preparing an application is not considered to be reimbursable.

Subrecipients are qualified entities that can act on the behalf of the recipient and undertake the activities proposed in the application. A Subrecipient can be a governmental non-profit, such as a housing authority or water district. Private non-profits which are incorporated 501(c)(3) and which can provide specific services in areas such as housing and community development may act as qualified Subrecipients. Lastly, a private for-profit that can carry out special activities like such as housing, may be a qualified Subrecipient. The use of Subrecipients requires that the recipient and Subrecipient enter a Subrecipient Agreement which is in compliance with 24CFR85.40 and 24CFR570.503. Further guidance on the use of consultants and Subrecipient can be found in the OCR Grant Administration Manual Chapter 1, Getting Started

Q17. When will funding announcements be made?

A17. It is anticipated that funding announcements for the 2018 housing applications will be made by the end of December, 2018. CDBG will not cover pre-award costs and each project must complete required environmental reviews and obtain written clearance from OCR prior to beginning projects or incurring costs, other than for administrative or eligible exempt activities.

Q18. If the application for housing assistance is successful and is approved for funding, how soon can funds be made available to eligible households?

A18. If the application for a housing program is approved, there are several actions that must occur before the municipality has access to the funds. This begins with the issuance of a grant award letter and a grant agreement. The grant agreement must be executed by the recipient and returned to OCR within 45 days of receiving it. Any special conditions associated with the agreement must be addressed by the Recipient. Once a municipality has received the award notification, the environmental review process can begin. This review will result in the development of an environmental review record (ERR) that has been completed in compliance the National Environmental Policy Act (NEPA) and the New York State Environmental Quality Review Act (SEQRA) which is then submitted to the Office of Community Renewal (OCR). If the ERR is approved, a release of funds will be issued and costs that were subject to environmental review can be incurred. With housing activities, this typically requires an additional level of environmental

review referred to as a Tier II or site-specific environmental review. This can include, but is not limited to evidence that a lead based risk assessment has been conducted on the house, the project has been submitted to State Historic Preservation (SHPO) for review and a review of the property to determine if it is potentially in a floodplain. Further guidance on the environmental review process can be found in the OCR Grant Administration Manual Chapter 2 Environmental and Historic Review.