

# RHODE ISLAND DEPARTMENT OF HOUSING



PY2022

## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Application Workshop

Wednesday May 3, 2023 @ 9:30am

# WELCOME & INTRODUCTIONS



# CDBG FUNDING AVAILABLE

- ▶ PY'2022 **\$5,427,145 (Allocation)** - **\$262,814 (Admin)** = **\$5,164,331**  
(minus Affordable Housing & Rehab) –
- ▶ Rolling applications (**Ongoing – Estimate \$1.6M**)
  - ▶ Affordable Housing (LMH) – Development/Preservation of affordable housing opportunities
  - ▶ Economic Development (LMJ) – Job Creation/Retention
  - ▶ Residential Rehabilitation (LMH) – Rehabilitation of private homes
- ▶ Annual Competitive Application (**Estimate \$3.5M**)
  - ▶ Public Facilities/Improvements
  - ▶ Essential Services (**approx. \$800K limit**)
  - ▶ Planning (Limited)



# GMS ECIVIS INFO

- ▶ Applications will only be accepted through the new statewide Grant Management System (GMS). You will find user guides, forms, annual organization registration information and trainings.
- ▶ RIH will send out notifications when a CDBG solicitation is available for application in GMS. Subrecipients can also use the following link to search for State of Rhode Island Grant Funding Opportunities.
- ▶ <https://controller.admin.ri.gov/grants-management/grant-management-system-gms/subrecipients/resources-applicants-subrecipients>



# CDBG TIMELINE

## ▶ Timeline (Annual Competitive Application)

- ▶ **May 3, 2023**                      **Application Workshop/Materials**
- ▶ **July 13, 2023**                      **Applications Due**
- ▶ **July 13 - August 2023**              **Suspend Ongoing Applications**
- ▶ **September 30, 2023**              **Awards Announced**

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(ri.gov)

# DRAWDOWN THRESHOLD

All projects must be expended within 4 years of award (or sooner).

May de-obligate funds voluntarily and reapply (reset clock)

Deadline applies to date project was funded (not source year)

In general, FY'2018 funds should be 75% drawn (prior year 100%). FY'2019 funding should be 50% drawn. No requirement for FY'20/FY'21 funds.

CDBG/COVID allocation do not apply.



# CDBG – ELIGIBLE APPLICANTS

- ▶ **Only non-entitlement municipalities are eligible to apply.**
  - ▶ **33 of the 39 municipalities**
  - ▶ **Cranston, East Providence, Pawtucket, Providence, Warwick & Woonsocket are “Entitlements” and receive their own CDBG allocations.**
  
- ▶ **Non-entitlement municipalities may use:**
  - ▶ **Contractors**
  - ▶ **Subrecipients (including non-profit organizations)**



# CDBG – CAPS/LIMITS

- ▶ There are NO overall application dollar limits/caps for application (\$500,000 activity limit)
- ▶ There are, however, limits on the number of proposed activities
  - ▶ Public Facilities/Improvements – Up to 3 proposals
  - ▶ Essential Services – ~~Up to 4 proposals~~ **correction up to 2 proposals** (consolidated individual non-profit requests)
  - ▶ Planning (1 proposal allowed)
- ▶ *Regional Activities (assignment of limits/caps possible)*
  - ▶ *Limited to activities that serve both impacted communities (or more)*
  - ▶ *Community may “assign” their activities to another community*
  - ▶ *The recipient community:*
    - ▶ *Assumes administration of the activity*
    - ▶ *Increases their application limit by the activity assumed*
  - ▶ *Proposals only appear in the assigned community’s application*





# CDBG NATIONAL OBJECTIVE & ELIGIBLE ACTIVITIES

- ▶ **National Objective & Eligibility – Must meet both tests**
- ▶ **Eligibility**
  - ▶ **Housing and Community Development Act 105(a) – Citations Below**
    - (8) – Public Services
    - (2) – Public Facilities/Improvements
    - (4) – Rehabilitation of Buildings
    - (1) – Acquisition of Real Property
  - ▶ **New Construction (105a15)**
  - ▶ **Address all elements for eligibility category**



# CDBG NATIONAL OBJECTIVE & ELIGIBLE ACTIVITIES

- ▶ **Primary National Objective – Low/Moderate Income Benefit (at or below 80% AMI)**
    - ▶ LMH (Housing) – Housing (Rolling)
    - ▶ LMJ (Jobs) – Economic Development (Rolling)
    - ▶ LMA (Area Benefit) – “Service” Area, Most Recent Census – ACS/Survey Data LMISD – All people in a defined area
      - <https://www.hudexchange.info/programs/acs-low-mod-summary-data/>
      - <https://www.hudexchange.info/resources/documents/Notice-CPD-14-013-Guidelines-for-Conducting-Income-Surveys-LMI-CDBG-Activity.pdf>
    - ▶ LMC (Limited Clientele) – Serves a specific subpopulation which is predominately (>51%) LMI
      - ▶ Define terms (Poverty), Show Income Limits for Participation, Family Size & Income, Presumed)  
Documentation is Key!
- [Guide to National Objectives and Eligible Activities for State CDBG Programs - HUD Exchange](#)

Note: Urgent Need & Slums/Blight also possible but lower priority



# APPLICATION PROCEDURES

## ▶ Citizens Participation

- ▶ 2 public hearings held at different stages of the program are required per 24 CFR Part 570.486
- ▶ At least one of those hearings must be conducted prior to submittal. Hearing must cover housing and community development needs.
- ▶ 15 (BUSINESS) days comment period preferred

## ▶ State Process of Review

- ▶ Staff (complete scoring)
  - ▶ Complete, Fundable, Process, Program Design (including Drawdown threshold)
- ▶ Committees (guided by scores)
  - ▶ Timeliness, Other Sources/review, Capacity/Performance, Feasibility/Accuracy
  - ▶ (PFS – RIH, DEM, DoI, EOC, Public) (ES/PS – RIH, EOHHS, EOC/DLT, Public)



# CDBG, REVIEW CRITERIA

## ▶ Capacity/Performance

- ▶ Timely drawdowns with complete backup
- ▶ Reports submitted on time
- ▶ No unresolved audit/monitoring findings
- ▶ Timely completion of Environmental Reviews and Contracting
- ▶ Complete applications with detailed scope of work and accurate activity budgets
- ▶ Large number of open activities (progress)
- ▶ Flagged Activities



# CONTACTS

- ▶ **Michael Tondra, Director for Community Planning & Funding**
  - ▶ [Michael.Tondra@housing.ri.gov](mailto:Michael.Tondra@housing.ri.gov)
  - ▶ Program Policy
  
- ▶ **Raquel Kennedy, Program Manager**
  - ▶ [Raquel.Kennedy.CTR@housing.ri.gov](mailto:Raquel.Kennedy.CTR@housing.ri.gov)
  - ▶ Subrecipient Assistance, CDBG/COVID – General Inquiries
  
- ▶ **Donna Phillips (Finance)**
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  - ▶ Finance
  
- ▶ **Charles Kimes (Rehab, Affordable Housing, Monitoring & Release Of Funds)**
  - ▶ [Charles.Kimes@housing.ri.gov](mailto:Charles.Kimes@housing.ri.gov)
  - ▶ Subrecipient Assistance, Environmental Review, Fair Housing
  
- ▶ **Kimberly Crabill (Environmental Review)**
  - ▶ [Kimberly.Crabill@housing.ri.gov](mailto:Kimberly.Crabill@housing.ri.gov)
  - ▶ Subrecipient Assistance, Labor Standards, Section 3, BABA
  
- ▶ **Christina Costa (Amendments and Reporting)**
  - ▶ [Christina.Costa@housing.ri.gov](mailto:Christina.Costa@housing.ri.gov)
  - ▶ Subrecipient Assistance, Reporting, Amendments



# CDBG ENVIRONMENTAL REVIEW

- ▶ **Choice Limiting Actions Prohibited**
  - ▶ **Do not obligate or expend funds until completion of the environmental review process**
  - ▶ **The process is complete when a ROF has been issued by RIH (or when Certification of Exemption signed)**
  - ▶ **Bidding or Signing of P&S can be considered a “choice limiting action”**
  - ▶ **Restriction applies to CDBG and non-CDBG funds on a project**
  - ▶ **Start EARLY!**
- ▶ **Review must be completed prior to contracting but may be conducted at any time**
- ▶ **8-Step Process (Floodplain)**

<http://www.hudexchange.info/programs/environmental-review>

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# CDBG, LABOR STANDARDS

- ▶ **Applies to CDBG funded construction projects in excess of \$2,000**
  - ▶ A/E or Acquisition do not trigger requirements
- ▶ **Davis Bacon and Related Acts**
  - ▶ **Wage Determination and Classifications (Davis Bacon Wage paid)**
    - ▶ [SAM.gov](https://sam.gov) | [Wage Determinations](#)
  - ▶ **Factor into cost estimates**
- ▶ **Grantee (Municipality) assures compliance**
  - ▶ **Collection/review of payroll records**
  - ▶ **Site visits (posting)/interviews**
  - ▶ **Bid documents**

# SECTION 3

Provide economic opportunities from federal funded projects to LMI persons;

Thresholds - \$100,000/\$200,000



# BUY AMERICA, BUILD AMERICA (BABA)

**Applies to this year's CDBG funded projects. Does not apply to prior year funded projects still underway/incomplete;**

**Applies to iron/steel projects over \$250,000 (federal financial assistance)**

**Applicants should factor cost in proposals. Bid documents must include this provision, as required.**

## Examples – Does BABA apply?

- Grantee funds a water & sewer project containing iron and steel. The project is funded using \$1 million in CDBG funding. The total federal financial assistance for the project is \$30 million.
  - **YES**, iron and steel in project over \$250,000.
- Grantee funds a water & sewer project containing iron and steel. The project is funded using \$100,000 in CDBG funding. The total federal financial assistance for the project is \$2 million.
  - **YES**, iron and steel in project over \$250,000.



# Examples

- Grantee funds a housing rehabilitation program for a designated neighborhood. Each home can receive up to \$30,000 in CDBG loans or grants. The total program is funded with \$1M in CDBG.
  - **NO**, does not meet \$250,000 threshold for individual projects.
- Grantee funds acquisition of land using \$300,000 in CDBG. The land will be used for multifamily housing.
  - **NO**, not funding project using iron or steel.
- Grantee purchases a fire engine with \$300,000 in CDBG funding.
  - **NO**, funding not used for construction, alteration, maintenance, or repair.



# CLOSE – OUT PROCESS

- Once all activities in a specific grant agreement have been completed
  - Fully Expended
  - Beneficiaries Realized
- Final Report Submitted to Dept. of Housing
- Monitoring Conducted (if not already done at earlier stage)
- Letter generated closing out grant
  - Records must be maintained 3-5 years from date State closes out its grant with HUD
  - Subsequent monitoring by HUD/State could identify issue which needs to be addressed

# QUESTIONS & ANSWERS

<https://ohcd.ri.gov/programs/community-development-block-grants>

