Community Development Block Grants (CDBG)

Established to help Kansas communities (50K or fewer residents) enhance their livability by providing financial, technical and business assistance using HUD funding.

Grants are awarded in six categories:

1. Water/Sewer Grants (competitive process)
2. Community Facilities Grants (competitive process)
3. Housing Grants (competitive process)
4. Urgent Need Grants (e.g. disaster response)
5. Commercial Rehabilitation Grants
6. Economic Development (business finance)

To qualify, projects must meet one or more of the following condition:

- Benefit low- or moderate-income individuals
- Remove or prevent slum or blight conditions
- Eliminate an urgent need created by a disaster when local, state or federal funds are unavailable
Eligible Applicants

• Cities with population under 50,000
  • One application per year for Annual Competition (Housing, Water/Sewer, Community Facilities)

• Counties with population under 200,000
  • Two applications per year for Annual Competition (Housing, Water/Sewer, Community Facilities)
    • Two on behalf of another entity
    • One on behalf of and one for county.
Ineligible Applicants

- Ineligible for State CDBG Funding:
  - Communities over 50,000 or counties over 200,000, who receive funding directly from HUD.

- Kansas City, Wichita, Topeka, Lawrence, Leavenworth, Manhattan, Overland Park and all of Johnson County.
National Objectives

Every project must address a national objective to receive funding:

- Urgent Need
- Elimination of Slum and Blight Condition
- 51% Low and Moderate-Income (LMI) benefit
  - Census
  - Survey
  - Combination
Proving LMI National Objective

• HUD updated census data
• Surveys
• Combination of two
  • Both must show 51% or more LMI beneficiaries
  • Combining two surveys - both must be LMI
CENSUS AND SURVEY

Census
• Used from HUD census data
• Can be city/county as a whole
• Can be by township
• Can be by block group data

Survey
• Is used when a project does not fit a census tract
• Could also be a target area
• 51% LMI persons must respond to the survey
• Random surveys

New Income Limits
• No longer in a spreadsheet
• Can be found directly through searching at www.huduser.gov/portal/datasets/il.html

More guidance can be given individually for Survey Methodology from the CDBG Staff.

We will be hosting a Survey webinar soon to explain how to conduct and tally surveys.
Benefit Area

- Determine who will benefit from the project
  - Consult with Commerce
- Different activities benefit different people
- Decide if census can be used or if a survey is needed
Pre-Selection of Professional Services

- Good for two years in advance of application due date
- Request for Proposals (RFP)
  - For Administrators
- Request for Qualifications (RFQ)
  - For Engineers and Architects
  - Include “Contingent on CDBG funding” in the contracts
Request for Proposals

- Must comply with Public Law 103-355 and 2 CFR 200
- RFP’s must be sent to ALL interested administrators in the area.
- Administrators are listed on Commerce website Resource Library under Miscellaneous Materials
- Should include a rating criteria
- Price of service part of selection criteria
- Keep all documentation
- If sole bidder, contact CDBG Staff
- Sample notice available in “How to Select Professional Services”
- Don’t wait until the last minute to get under contract

A list of interested Administrators is on the CDBG website. [CBDG Resource Library | Kansas Department of Commerce (kansascommerce.gov)]
Request for Qualification

- Must publicize
  - Letters- required
  - Notice in newspaper (not required)
- Rating criteria
- Special efforts to solicit women and minority owned businesses
- Keep all documentation
- Price of service **NOT** part of rating criteria
- Must select on qualifications, interview, and then negotiate fee
- Fee allowances
- Sole bidder- contact CDBG Staff
- Sample notice available in “How to Select Professional Services”

Request for Qualification is used for selecting Engineering and Architectural services.
CITIZEN PARTICIPATION AND PUBLIC HEARINGS

Citizen Participation
- Public hearing notice must mirror what is being applied for.
- Incorrect public hearing will threshold/disqualify an application.
- One legal public hearing 15 days prior to application submittal date.
- Give yourself time to republish if error is found.

Public Hearing Notice
- Notice shall be published at least five full days before public hearing-starting one day after the publication and not counting the date of the hearing.
- Must contain:
  - Detailed project description
  - Exact project location
  - All activities
  - CDBG grant amount and total project cost
CONFLICT OF INTEREST AND VENDOR

Conflict of Interest
• Applies to employees, elected officials, agents, consultants, officers or immediate family member or business partners of the above.
• Conflict of interest applies when procuring goods and services for the purpose of undertaking a CDBG funded project.
• Conflict of interest waiver
  • Disclosure of the nature of the conflict
    • Notice in newspaper
    • Public hearing
  • Recording of minutes
  • An opinion from the applicant’s attorney
  • Letter from chief elected official requesting the conflict of interest waiver
• The only persons who do not qualify for a waiver are the City or County Commissioners.

Conflict of Vendor
• If a vendor is used to supply a cost estimate, said vendor may not bid on the work if the applicant receives a grant award.
PRELIMINARY ENGINEERING REPORT (PER)

The funding process starts with a good PER!

- Name of the owner, firm and point of contact
- Project map
- Date of review
- Description and documentation of the problem
- Causes of the problem - Include age of the infrastructure
- List ALL possible alternatives with cost breakdown for the chosen alternative
  - Engineering
  - Financial
Continued:

• Estimated Construction and Non-Construction Costs

• Differentiate between CDBG and Non CDBG in PER
  • Show cost and scope of work separate for both

• Operation and Maintenance Analysis

• Land requirements

• NO per square foot calculations
  • Detailed cost estimations are required

• Use same model for Preliminary Architectural Reports
Procurement

• If CDBG funds are used our procurement procedures must be followed.

• Guidance for this is in the General Application Requirements online. (pages 4-6)

• If administration or engineer/architect is paid for with local funds, local policy is followed.

• If procurement is not followed, you risk losing funding

• Construction contracts must be competitively bid and must follow Davis-Bacon Wage Rates.

Guidance for this is in the General Application Requirements online. (pages 4-6)
Environmental Review

- Must have “Determination of Level of Review” included with application
- If you need help completing, contact CDBG Staff
- Actual Environmental Review takes place after award
- 6 months to clear from CDBG contract start date
- Historical Society approval for any projects that may impact historic property

Must be completed 6 months after Contract Start Date
THANK YOU

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