



COUNTY OF LEHIGH

Annual Plan Process Guidelines

: Community Development Block Grant (CDBG) Application Procedural Plan

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CDBG Application Procedural Plan

I. Purpose

Each year, the County of Lehigh receives funding from the United States Department of Housing and Urban Development (HUD) through the Community Development Block Grant Program (Title I of the Housing and Community Development Act of 1974, as amended).

The primary objective of the Community Development Block Grant (CDBG) Program is the development of viable communities, by providing decent housing and a suitable living environment as well as expanding economic opportunities, principally for persons of low- and moderate-income. The County utilizes these funds primarily for the revitalization of low- and moderate-income neighborhoods through the rehabilitation of the existing housing stock and physical improvements to public facilities. In addition, Lehigh County funds economic development activities and human services which complement the usual “bricks and mortar” approach to revitalization. This strategy is to ensure that all of the needs of neighborhood residents are being addressed.

This CDBG Application Procedural Plan (APP) is designed to serve the following specific purposes:

- To present in a logical sequence the various aspects of the CDBG application process.
- To identify the departmental representatives who are responsible for certain aspects of the CDBG application process.
- To clarify the CDBG application scoring criteria.
- To clarify the procedures for reallocating unspent CDBG funding from previous years.

Any questions or comments on substantive issues or the adequacy of the CDBG APP should be referred to Laurie A. Moyer, Grants & Housing Manager, Lehigh County Government Center, 17 South Seventh Street, Allentown, PA 18101. Phone: (610) 782-3565. Email: lauriemoyer@lehighcounty.org

II. Maintenance of the APP

The Office of Community Development, from here on known as “the Office”, shall be responsible for the APP including its dissemination and any revisions, which may be appropriate at the time that Lehigh County begins planning for each new program year.

III. Annual Plan Process

A. Creation of the Application

- a. The Office shall determine the timeline for the upcoming annual plan process, along with determining the criteria for the 5th point in the scoring process. This process shall begin in the month of January each year.
- b. The Office shall modify last year’s application package to reflect statutory and regulatory changes to the CDBG program. The package shall include the

materials listed within Lehigh County's Citizen Participation Plan (CPP), Section III, Part B1.

- c. Responsible staff – Stacy Milo, Laurie Moyer

B. Distribution of the Application

- a. The Office shall distribute the application packet (Attachment A) to potential applicants via email each year in the month of February. The email distribution list shall include applicants from the past 3 years, at least two contacts from each municipality, agencies that attended public hearings (or provided comment) over the past 3 years and also those interested in applying that contacted the Office since the last application round. Email read receipts shall be requested. Entities which were sent emails and were returned as undeliverable will be mailed the application. Municipalities that have chosen to opt out of the entitlement program will not receive an application packet.
- b. The Office will also post the application package on the department's CDBG webpage. Applicants are able to download the application and all supporting materials, and upload the completed application via the webpage.
- c. Responsible staff – Stacy Milo

C. Public Hearings

- a. As described within the CPP, the Office will hold two public hearings during March to obtain citizen views, respond to questions and provide technical assistance to applicants as set forth within the CPP, Section III, Part B2. The hearings will be scheduled and publicized according to the guidelines set forth within the CPP, Section III, Part B3.
- b. Responsible staff – Stacy Milo

D. Application Review

- a. Completion of a Project Review Sheet
 - i. A project review sheet shall be completed for each project. The sheet summarizes fundability, eligibility, project details, budget and whether or not funding is recommended.
 - ii. Responsible staff – Stacy Milo
- b. Review applications for fundability – Section 105 of the Housing and Community Development Act of 1974, as amended.
 - i. Each application is reviewed to ensure that criteria of 24 CFR 570.208 is met. If supporting documentation is insufficient, a request to the applicant for proper documentation will be made.
 - ii. Responsible staff will complete a site tour for each construction-related application.
 - iii. Applications that are deemed as not fundable will be rejected. Such applicants will receive a letter via mail notifying them of the project's disqualification. The letter will be mailed after the projects are reviewed by the County Executive.
 - iv. Responsible staff – Stacy Milo, Laurie Moyer, Urban Design Ventures

- c. Review applications for eligibility – Section 105 of the Housing and Community Development Act of 1974, as amended.
 - i. Each fundable project is reviewed to determine the proper eligibility category as listed in 24 CFR 570.201 thru 570.206. If supporting documentation is insufficient, a request to the applicant for proper documentation will be made.
 - ii. Applications that are deemed as ineligible are rejected. Such applicants will receive a letter via mail notifying them that the project was ineligible per 24 CFR 570.207. The letter will be mailed after the projects are reviewed by the County Executive.
 - iii. Responsible staff – Stacy Milo, Laurie Moyer, Urban Design Ventures
- d. Review of applications from municipalities involved in Fair Housing complaints
 - i. Municipalities involved in Fair Housing complaints filed with HUD are able to submit an application for CDBG funding. Lehigh County shall review the application and assess the progress that has been made in resolving the complaint. An award can be made if the Office concludes that the parties involved are on a reasonable path to resolving the complaint, and if there is a reasonable probability of achieving the public benefit intended in granting the funds.
 - ii. Responsible staff – Laurie Moyer, Frank Kane

E. Scoring Applications and Determining Suggested Award Amounts

- a. Administration and Planning
 - i. An application for the Office’s administration costs is not necessary. The Office shall take the full allocation of 20% unless there is evidence to presume that less funding is necessary to cover CDBG-related administration. Funds for planning projects will not be available unless the Office takes less than the 20% prescribed.
- b. Public Service Projects
 - i. Public service projects shall be entitled to the maximum percentage (15% of allocation after administration reduction). Applications for projects funded in the previous year, that spent their money on a timely basis and fulfilled their proposed project goals, shall be funded at the same amount as the previous year, or less. If the project proved that there is a 40% quantitative increase in the need for service over the past 12 months, an increase in funding shall be considered if funds allow. New projects shall be considered based on available funding and the ability to fulfill a consolidated plan goal.
- c. Demolition
 - i. Demolition projects will receive consideration if the reuse plan is eligible, fundable and consistent with consolidated plan goals. The maximum percentage allowable for demolition projects is 20% of the allocation after deducting the allocations for administration.
- d. Housing Rehabilitation Projects

- i. The County-wide Housing Rehab Program is a priority of the CDBG program and consolidated plan as it retains the owner-occupied housing stock and allows elderly residents to maintain and live in their homes for a greater period of time. Funding of this program shall be between \$100,000 to \$200,000 annually, based on funding availability.
 - ii. New housing projects will be considered for funding based on funding availability and the ability to fulfill a consolidated plan goal.
 - e. Economic Development Projects
 - i. Economic development projects will receive consideration if the program can prove the substantial need for services in areas outside of the cities of Allentown and Bethlehem.
 - f. Municipal Construction Projects
 - i. Applications are scored based on certain criteria. This criteria provides a way for the Office to quantitatively rank projects. Ranking the projects assists the County in determining award amounts. The project allocation shall be determined using a tiered process.
 - 1. Tier 1 - Set a starting point allocation.
 - a. Applicants that dedicate 10% or more of their CDBG request as a hard cost match shall set their starting point allocation at the requested amount. The Office shall deduct 10% from CDBG requests in which less than 10% was dedicated as hard cost match.
 - 2. Tier 2 - Determine number of points.
 - a. For each applicant, tally the number of points.
 - i. 1 point if the project meets a consolidated plan goal.
 - ii. 1 point if the project can be completed between January 1st and mid-September of the following year.
 - iii. 1 point if the applicant requested at least \$50,000.
 - iv. 1 point if the project is to occur within a low- to moderate-income (LMI) municipality.
 - v. 1 point based on criteria to be determined each year.
 - 3. Calculate deduction from starting point allocation.
 - a. If applicant received:
 - i. 5 points, deduct 20% from tier 1 result
 - ii. 4 points, deduct 40% from tier 1 result
 - iii. 3 points, deduct 60% from tier 1 result
 - iv. 2 points, deduct 80%, or do not fund
 - 4. Tier 3 – If further adjustments must be made:
 - a. If funding remains to be allocated, provide to municipality or municipalities with highest LMI percentage.

- b. If funding needs to be deducted, deduct from applicant(s) working in municipalities with the lowest LMI percentage AND received the most funding over the previous 2 grant years.
 - g. Prior Year Modified Allocations
 - i. Projects which were cancelled or did not use their entire allocation during the previous year relinquish such funds to Lehigh County. The funds will be added to the grant pool to be disbursed for the new year.
 - h. Responsible staff - Laurie Moyer, Stacy Milo
- F. Reviews by Higher-Level Management
 - a. All applications are reviewed by Frank Kane, Director of the Department of Community & Economic Development, to confirm fundability and eligibility. Suggested award amounts are also reviewed and clarified.
 - b. Suggested awards are then presented to the County Executive for approval.
 - c. Projects that were deemed ineligible or were not funded will be sent a letter officially notifying them of the determination.
 - d. Responsible staff – Laurie Moyer, Frank Kane, Thomas Muller
- G. Board of Commissioners Review
 - a. Awards approved by the County Executive are suggested to the Board of Commissioners for review and approval via an ordinance. This process shall occur in June of each year.
- H. Public Comment Period on Proposed Awards
 - a. A comment period of 30 days is required before the Annual Plan can be submitted to HUD. In order for the Annual Plan to be submitted by the August 15th annual deadline, the public comment period must begin no later than the beginning of July each year. The advertisement shall run the first day of the public comment period. The advertisement shall also announce the date for the public hearing. One public hearing is held to review the award process, answer questions regarding the proposed awards and collect public comments.
- I. Submittal of Annual Plan to HUD
 - a. The Annual Plan must be submitted to HUD by August 15th. The Annual Plan is submitted via IDIS. Certification pages are signed by the County Executive and mailed to Lehigh County's CPD representative at HUD, carbon copy to the CPD Director.
- J. Acceptance of Annual Plan by HUD
 - a. Lehigh County shall receive a letter from HUD acknowledging the receipt of the Annual Plan. HUD then creates the contract for the associated fiscal year and mails it to Lehigh County for full execution. The process is usually completed by mid-October.