

PUBLIC HEARING 1 and APPLICATION WORKSHOP

March 2022

Lehigh County

Department of Community &
Economic Development

Frank Kane, Director



Agenda



- Introductions
- Anticipated Funding
- Application & Evaluation Process
- Program Overview
 - Eligible Activities
 - Program Objectives
- Grant Requirements
- Q & A and Comments on Lehigh County's CDBG Program



HOUSEKEEPING & INTRODUCTIONS



Meet the Team

- **Department Director** – Frank Kane
- **Grants & Management Specialist** – Laurie Moyer
- **Grants and Projects Manager** – George Samuelson
- **Executive Assistant** – Cyndi King



ANTICIPATED FUNDING



Anticipated Funding

- The County receives “entitlement” funding from the U.S. Dept. of HUD on an annual basis. The County is also the recipient of CDBG funding through the CARES Act.
- Community Development Block Grant (CDBG): \$1,280,000
- CDBG-CV 1 & 3: \$2,025,770



APPLICATION & EVALUATION PROCESS



Application Process

- Lehigh County solicits proposals for federally-funded initiatives in accordance with identified priorities & needs.
 - 2022 CDBG [Notice of Funding Availability](#)
 - CDBG-CV [Notice of Funding Availability](#)
 - Application forms for both grants can be found at: <https://www.lehighcounty.org/Departments/Community-Economic-Development>
 - Funding contracts are awarded on a competitive basis.



Entitlement Funding Process

- **Process Timeline**

- Application Deadline: April 15, 2022 extended to April 29th
- Internal Staff Review and Questions to Applicants
- Awards to be Determined by June 6th
- 30 Day Comment Period begins June 30th
- Public Hearing July 19th in Room 524
- Annual Plan Submitted to HUD by August 15, 2022
- HUD Review of Action Plan: +/- 45 Days
- HUD Release of Funds

Program Year: October 1, 2022 thru September 30, 2023



CV Funding Process

- **Process Timeline**
 - Application Deadline: None
 - Internal Staff Review
 - Awards proposed to Board of Commissioners
 - Public Hearing & 5 Day Comment Period
 - Amendment submitted to HUD
 - Contracts expire September 30, 2023



Goals & Priorities

- <https://www.lehighcounty.org/Departments/Community-Economic-Development/CDBG-Grant-Application>
 - [Link on left of page - FY 2019-2023 Consolidated Plan Goals](#)



FUNDING OVERVIEW



HUD Funding – Resources

- Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems:
 - http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_17104.pdf
- Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight:
 - https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_17086.pdf
- CDBG Guide to National Objectives & Eligible Activities:
 - https://www.hudexchange.info/resources/documents/CDBG_Guide_National_Objectives_Eligible_Activities.pdf



CDBG - Overview

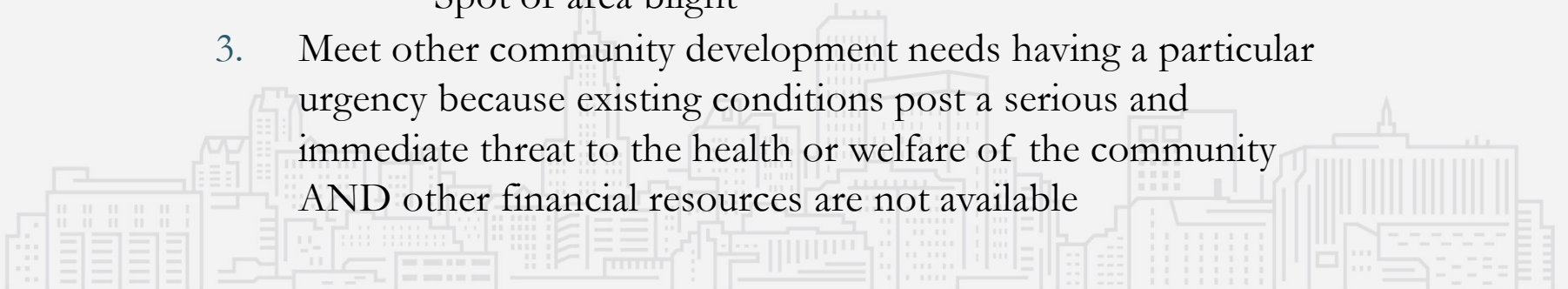
- **History:** CDBG funded via Title I of Housing & Community Development Act of 1974.
- **Primary Purpose:**
 - Provide Quality Affordable Housing
 - Create Suitable Living Environments
 - Expand Economic Opportunities



CDBG - Overview

National Objectives of the CDBG Program

1. Benefit low- and moderate-income (LMI) persons
 - Minimum 70% of allocation annually
 - Determined by area (census block group or household surveys)
 - Limited Clientele – at least 51% of households served were documented as LMI
 - LMI Household – the individual household is documented as LMI
 - LMI Jobs – an LMI individual holds or will be placed in a job
2. Prevent or eliminate slums or blight
 - Spot or area blight
3. Meet other 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



CDBG - Overview

- **Eligible Activities:**

- CDBG can support a variety of project types
 - <https://www.lehighcounty.org/Departments/Community-Economic-Development/CDBG-Grant-Application>
- Activities must benefit residents outside the cities of Allentown and Bethlehem, and also outside of Lower Milford Township.
- Most activities that benefit low- and moderate-income individuals and meet the needs of the community are eligible; **however, the regulations make funding complicated to use.**



CDBG - Overview

- **Primary Eligibility Categories**
 - Public Service – maximum of 15% of net allocation
 - Public Facility or Infrastructure Improvements
 - Affordable Housing



CDBG – Eligible Activities

Public Services: Direct, quantifiable social service delivery to eligible clients.

Activities eligible under this category include (but are not limited to):

- Job Training
- Child Care
- Health Services
- Senior Services
- Afterschool Programs
- Homeless Services
- Domestic Violence Prevention
- Legal Services
- Housing Counseling
- Food Banks



CDBG – Eligible Activities

Public Service Eligibility Worksheet

1. Was this project funded via 2021 CDBG?

- Yes – go to Question 2.
- No – go to Question 3.

2. Are you requesting the same amount (or less than) the amount awarded via 2021 CDBG?

- Yes – skip the rest of this Public Service Project Worksheet section. (The Public Service eligibility requirements have been met.)
- No – go to question 3.

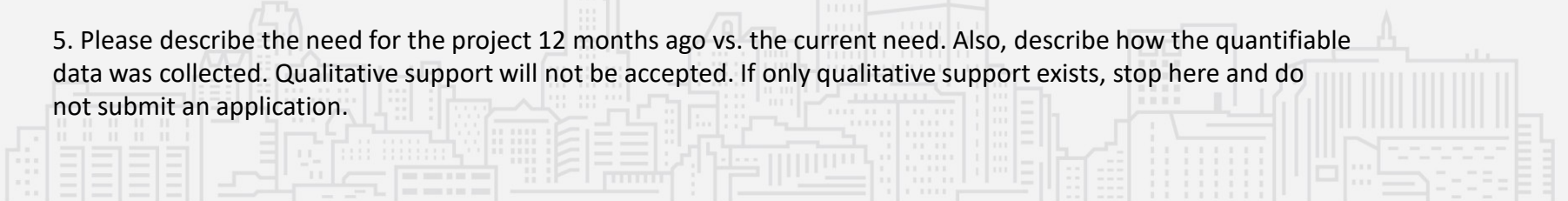
3. Is this a new project being offered by your agency?

- Yes - skip the rest of this Public Service Project Worksheet section. (The Public Service eligibility requirements have been met.)
- No – go to question 4.

4. Are you able to prove a quantifiable increase in need over the past 12 months, enabling the proposed project to be funded?

- Yes – go to question 5.
- No – If the project was funded via 2021 CDBG, the project can only request the same amount as previously awarded. If this is a new project or one that wasn't funded via 2021 CDBG, then the project is ineligible. (Stop here – and do not submit an application.)

5. Please describe the need for the project 12 months ago vs. the current need. Also, describe how the quantifiable data was collected. Qualitative support will not be accepted. If only qualitative support exists, stop here and do not submit an application.



CDBG – Eligible Activities

Public Facility Improvements - improvements to publicly-owned facilities and infrastructure such as streets, playgrounds, and underground utilities, and buildings owned by non-profits that are open to the general public.

Activities eligible under this category include (but are not limited to):

- Rehabilitation or construction of a neighborhood community center
- Rehabilitation or construction of a homeless shelter
- Rehabilitation or construction of facilities serving persons with disabilities
- Improvements to public libraries
- ADA modifications
- Installation of broadband infrastructure
- Housing Authority improvements



CDBG – Eligible Activities

Housing: activities to foster safe, affordable housing opportunities for low/moderate income households.

Activities eligible include:

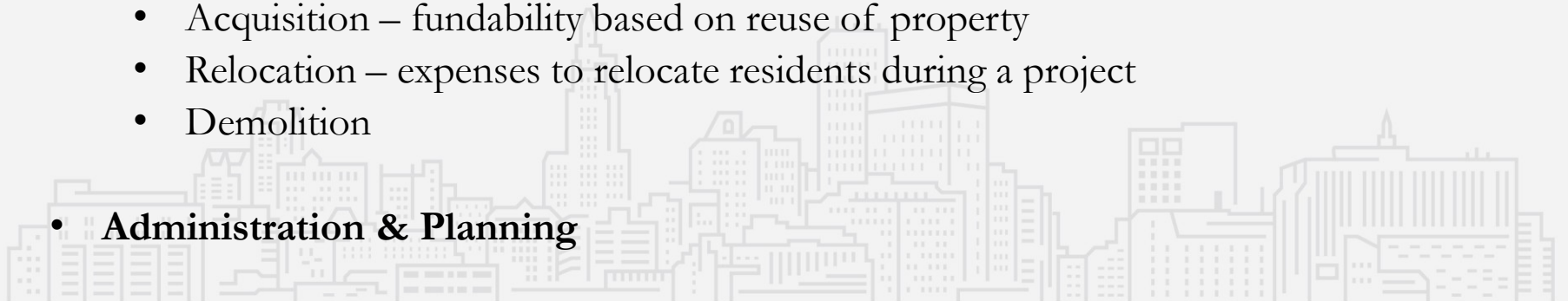
- Housing rehabilitation programs
- Energy efficiency & weatherization programs
- Conversion of closed buildings to residential use
- Rehabilitation of housing for rent or sale
- Acquisition & site improvements for housing



CDBG – Eligible Activities

Other Eligible Activities

- **Economic Development:** activities to foster economic opportunity, including microenterprise and small business development, commercial and industrial development, and job creation, job retention, and job training activities.
 - Technical assistance and workshops for small businesses
 - Grant programs for small businesses
 - Façade improvement programs
 - Lending programs to for-profits
- **Real Property**
 - Acquisition – fundability based on reuse of property
 - Relocation – expenses to relocate residents during a project
 - Demolition
- **Administration & Planning**



CDBG – “Low/Mod”

- “Low and Moderate Income” (LMI) means a family or household with an annual income less than 80 percent of the area median income.
- Income Limits for CDBG are updated annually. Subrecipients are responsible for ensuring they use the current income limit to capture beneficiary data.

FY 2021 Income Limit Area	Median Family Income Explanation	FY 2021 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Allentown- Bethlehem- Easton, PA HUD Metro FMR Area	\$81,900	Very Low (50%) Income Limits (\$)	28,700	32,800	36,900	40,950	44,250	47,550	50,800	54,100
		Explanation								
		Extremely Low Income Limits (\$)*	17,200	19,650	22,100	26,500	31,040	35,580	40,120	44,660
		Explanation								
		Low (80%) Income Limits (\$)	45,850	52,400	58,950	65,500	70,750	76,000	81,250	86,500
		Explanation								

CDBG – National Objective

- **Low/Mod Area Benefit (LMA)**
 - Activities must be open to and benefit all residents of the area
 - Agency must determine service area of activity
 - Area must be primarily residential
 - At least 37.58% of project beneficiaries must be LMI; determined by Census block group or household surveys
 - Activity Examples:
 - Street Reconstruction (not resurfacing)
 - Neighborhood cleanups
 - Water/sewer improvements
 - Creation of a neighborhood park



CDBG – National Objective

- **Low/Mod Limited Clientele (LMC):**
 - Activities benefit specific populations of clients
 - Agencies must document that at least 51% of participants are Low/Mod individuals
 - Income Certification/Intake Form
 - Activity Examples:
 - Subsistence Services – max 3 months of rent/utilities
 - Legal services
 - Workforce training for the formerly incarcerated
 - Microenterprise technical assistance programs



CDBG – National Objective

- **Limited Clientele Presumed Benefit (LMPB):**
 - Activities benefit specific population groups that are presumed to be LMI:
 - Senior Citizens (62+)
 - Homeless Individuals/Families
 - Child in DCYF Custody
 - Severely Disabled Adults
 - Person with HIV/AIDS
 - Victims of Domestic Violence
 - Migrant Farm Workers
 - Note: Presumed benefit relates **only** to income.
 - Data regarding race, ethnicity, gender, disability status, veteran status, and the total number of unduplicated clients served in the program **must still comply with HUD regulations.**

CDBG – National Objective

- **Low/Mod Job Creation (LMJ):**
 - Activities to generate economic opportunities
 - Job Creation: Documentation must indicate that at least 51% of the jobs will be held by, or made available to, LMI persons
 - Job Retention: Documentation must indicate that the jobs would have been lost without the CDBG assistance and that at least 51% of the jobs are held by LMI persons and/or the job can “reasonably be expected” to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, a LMI person
 - Public Benefit Standard: Create or retain at least one full-time, permanent job per \$35,000 of CDBG funds used
 - Typical activities:
 - Business loans, commercial rehabilitation, business technical assistance

CDBG – National Objective

- **Low/Mod Housing (LMH):**
 - Activities to acquire, construct, or improve permanent, residential structures which are/will be occupied by LMI persons.
 - Typical activities:
 - Acquisition of property to be used for permanent housing
 - Rehabilitation of permanent housing, rental or owner-occupied
 - Conversion of nonresidential structures into permanent housing
 - Assistance to a household to enable it to acquire ownership of a home (homeownership assistance).



CDBG-CV Overview

- Supplemental CDBG funding appropriated under the CARES Act
- Funding for new or quantifiably increased services to prevent, prepare for, and respond to the coronavirus disaster
- Same general underlying regulations & requirements apply
 - Except: no “public service cap”



GRANT REQUIREMENTS



Grant Requirements

- Receiving a federal grant through Lehigh County means:
 - Complying with all applicable federal and local requirements
 - Keeping records for at least 5 years after program/project completion
 - Maintaining a strong fiscal management system
 - Agreeing to be monitored by HUD & Lehigh County at any time
 - Submitting timely quarterly and annual reports
 - Complying with contract terms;
- Commitments can be canceled or contracts terminated due to non-compliance.



Grant Requirements

- NEPA Environmental Review:
 - Lehigh County will conduct an Environmental Review and Historic Review of all projects for Subrecipients.
 - NO WORK can start until you have been notified in writing that the Environmental Review is complete
 - After your application has been submitted, DO NOT:
 - Acquire, rehabilitate, convert, repair, begin or continue any construction
 - Solicit bids for the project (but you can get estimates)
 - Enter into a purchase and sale agreement
 - Finalize a closing of sale



Grant Requirements

- Davis Bacon Act:
 - Construction projects >\$2,000 funded in whole or in part with federal funds
 - All laborers and mechanics employed by contractors or subcontractors are to be paid federal prevailing wages
 - May increase cost of project
 - Requires weekly payment of wages
 - Each contractor must:
 - Submit weekly certified payrolls reflecting all hours worked



Grant Requirements

- Lehigh County Grant Ordinance

- Financial documentation must be submitted at the time of application.
- Documentation will be placed on Lehigh County's website and removed after processing of the CDBG award ordinance.

1. The current and previous fiscal year's budget, including the actual revenues and expenditures for the previous year

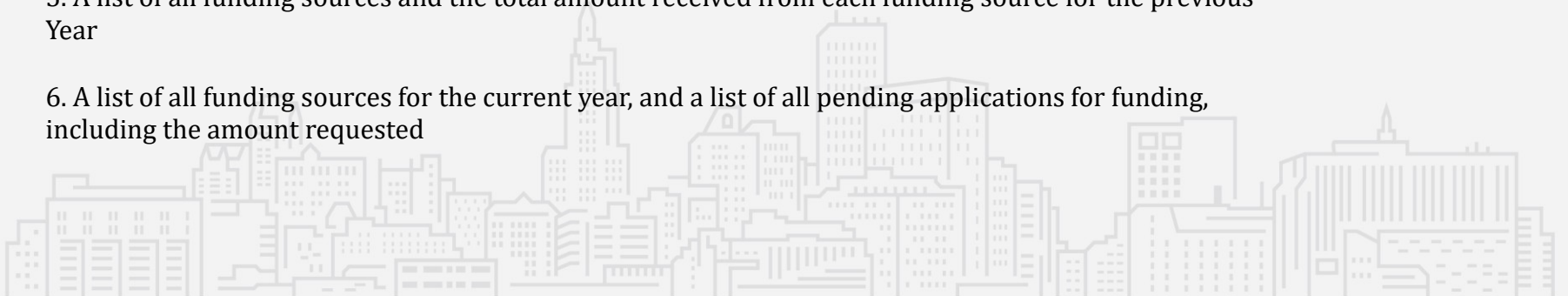
2. Audited financial statements for the two (2) previous fiscal years

3. The positions of all employees, officers and board members who receive \$50,000.00 or more in annual compensation, including bonuses, from the requesting organization

4. The total compensation of the organization's five (5) highest compensated individuals

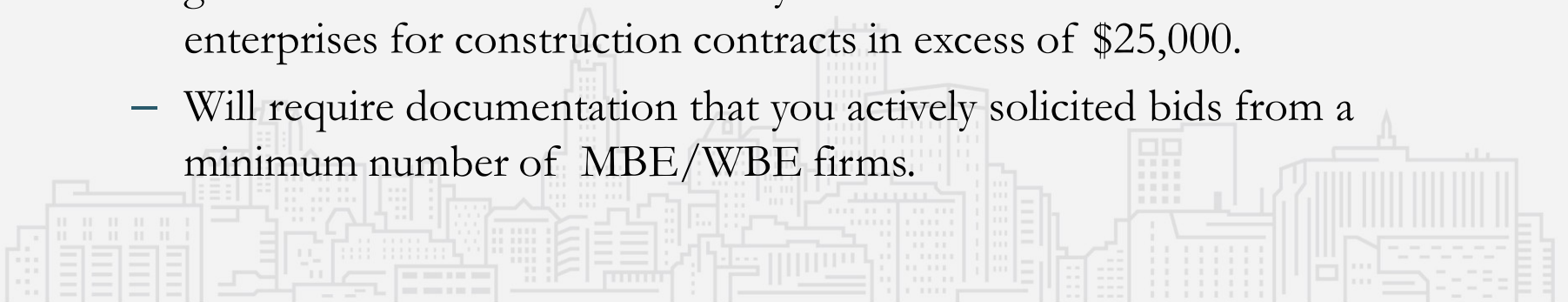
5. A list of all funding sources and the total amount received from each funding source for the previous Year

6. A list of all funding sources for the current year, and a list of all pending applications for funding, including the amount requested



Grant Requirements

- Procurement:
 - Procurement must comply with local, state, & federal requirements.
 - Non-profits shall follow their agency's formal procurement guidelines. Lehigh County Administrative Code shall be adhered to if an agency doesn't have formal procurement guidelines.
 - Typically a minimum of three written quotes or estimates is required. Sealed bids required on larger projects.
- MBE/WBE:
 - Requires reasonable efforts to be made to solicit bids from and procure goods and services from minority and woman-owned business enterprises for construction contracts in excess of \$25,000.
 - Will require documentation that you actively solicited bids from a minimum number of MBE/WBE firms.



Grant Requirements

- Section 3 of the HUD Act of 1968 – A requirement to ensure that economic opportunities generated by certain HUD assistance is directed to low- and very-low income persons.
 - Applicable to housing rehabilitation, housing construction, and other public construction or demolition projects that exceed a threshold of \$200,000.
 - Requirements apply to the entire project regardless of whether the project is fully or partially funded with CDBG.
 - Subrecipients must include the [Section 3 clause](#) in their contracts, ensure that the lowest bidder authorizes the affirmative action plan, and also ensure that the contractor meets labor hour benchmarks or demonstrates qualitative efforts attempting to meet the benchmarks.
- Public Service Projects:
 - Failure to submit quarterly or annual reports on a timely basis may result in forfeiture of CDBG award or agency ineligibility for future CDBG funding.
 - Failure to complete the project within 60 days past the close of the program year will result in relinquishment of unused funding.

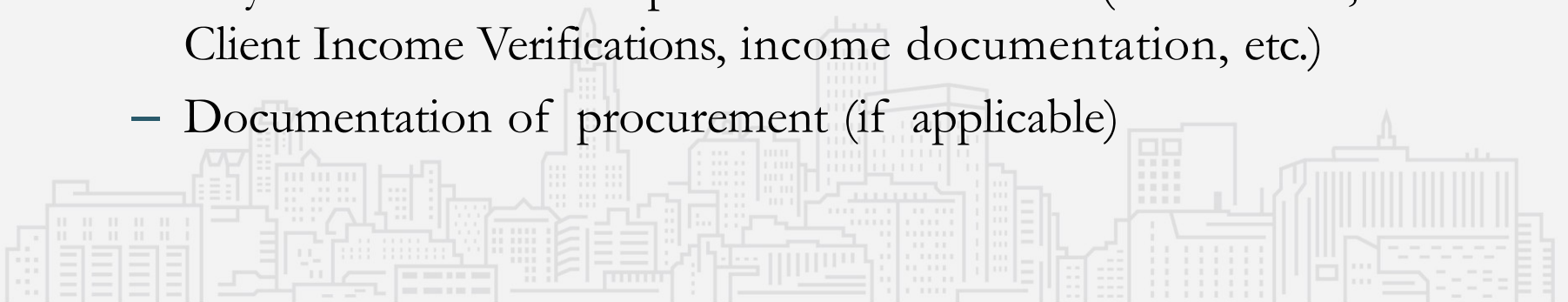
Grant Requirements

- Payments are made on a reimbursement basis
- Request for Payment requires:
 - Letter Requesting Funds on Signed Letterhead or signed Agency Invoice
 - Based on expenditures outlined in budget; budget is memorialized by contract
 - For salaries – employee timesheets reflecting actual time worked on CDBG-funded project
 - For supplies, equipment, construction services – receipts / copies of invoices and canceled checks to prove payment of those invoices.
- Costs billed to the grant must be reasonable and proportional; need “cost allocation plan” if billing rent or operating expenses, or 10% de minimus of eligible costs.



Grant Requirements

- Expect to retain files for 5+ years after grant close-out.
- Program files should contain:
 - Original executed copy of the agreement with Lehigh County
 - Any amendments to the application and agreement
 - Correspondence relating to the grant award
 - Copies of requests for reimbursement and all supporting documentation
 - Any other information pertinent to the Grant (Intake Forms, Client Income Verifications, income documentation, etc.)
 - Documentation of procurement (if applicable)



Grant Requirements

- Monitoring is not a “one-time” event, it’s ongoing throughout the entire lifespan of the funds
- Review occurs onsite and remotely
- Risk-based approach may be utilized when needed to determine which agencies should be prioritized for monitoring
- Technical assistance may be requested prior to or in conjunction with monitoring effort
- Monitoring reports reviewed by HUD
- Goal is to ensure your success



THANK YOU!



Q & A and Comments



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