2025 LUG CDBG Training

Tuesday April 8, 2025

Thursday April 10, 2025

CDBG Basics

- What is CDBG?
  - Community Development Block Grant
  - Funds from the U. S. Department of Housing and Urban Development (HUD)
  - Used for community development activities
- What projects are eligible?
  - Projects that are located in low to moderate income areas
  - Projects directly benefiting low to moderate income persons or households
  - Must meet a National Objective

CDBG Basics

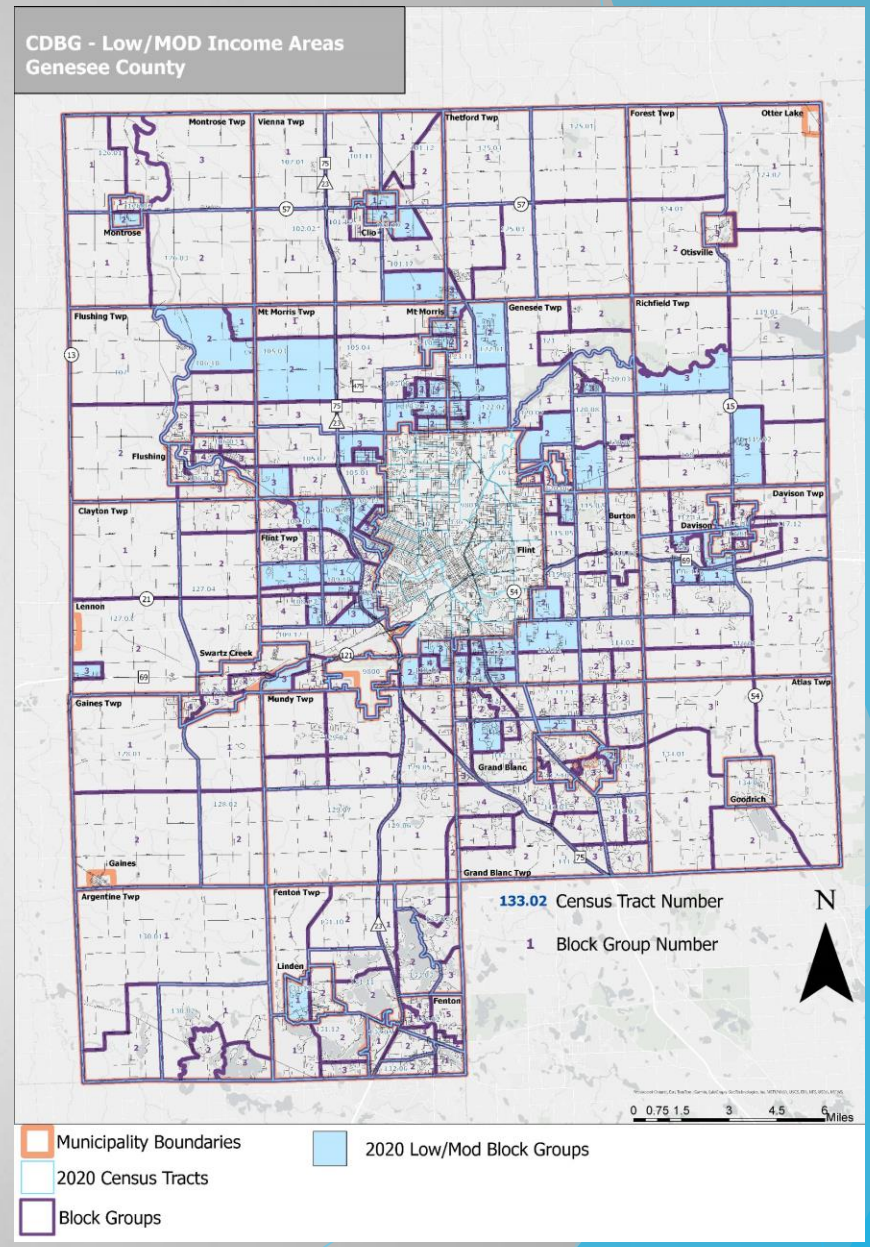
- National Objectives
  - Each CDBG activity must meet one of the following:
    1. Provide benefit to low- and moderate-income persons and households
    2. Aid in the prevention or elimination of slums or blight condition

Low/Mod Income

- Low/Mod Areas: 51% of households fall below 80% of Area Median Income (AMI)

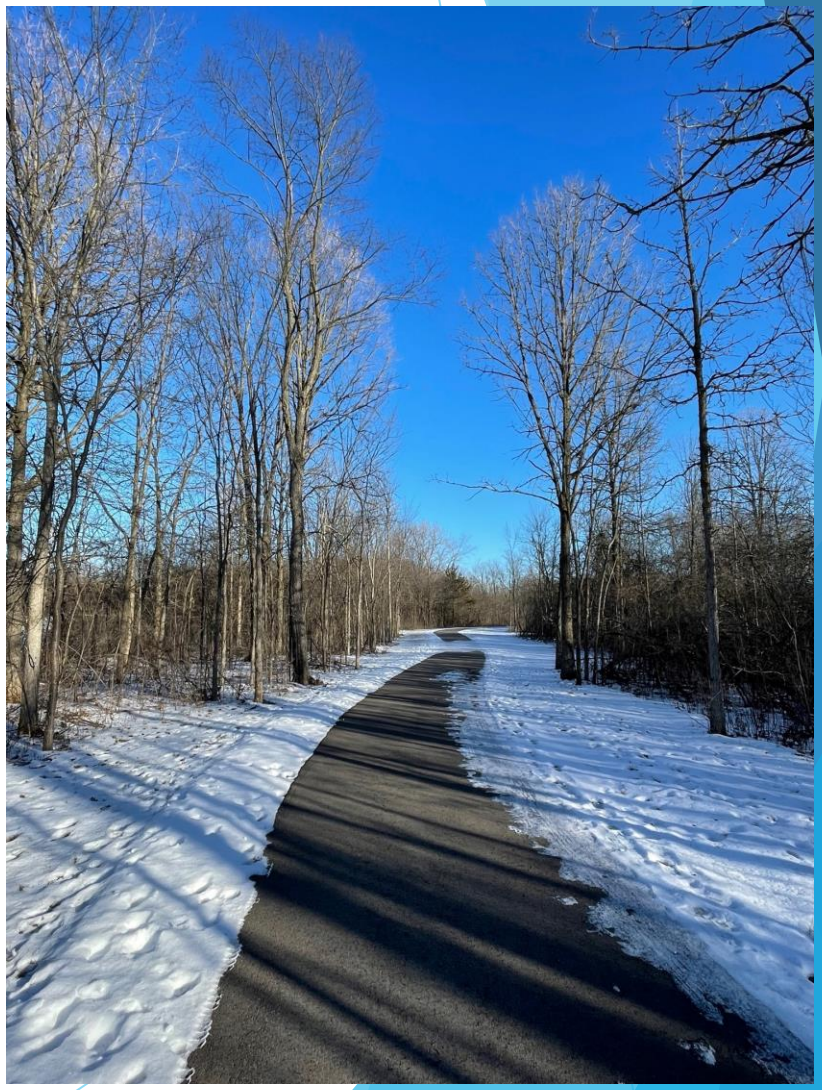
Limited-Clientele Projects

- Determined by an income survey
- Presumed to be low to moderate income
  - Abused children
  - Battered spouses
  - Elderly persons
  - Homeless persons



CDBG Basics: Types of Projects

- Public Service
  - Senior center operations
  - Youth programs
  - Training programs
  - Food pantry assistance
- Construction
  - Public facility improvements such as roof or flooring installation
  - Removal of Barriers
  - Street/sidewalk improvements
- Demolition
- Code Enforcement



CDBG Basics

- Funding Allocation
  - Determined by using a formula based on population, poverty, and over-crowded housing
  - Example from 2025-2027: Allocation Estimates
- Urban County Requalification and Cooperative agreements
  - Every 3 years, communities can opt into or out of the county's CDBG program
  - Must have cooperative agreement in order for HIP or HOME projects to take place in your community

CDBG Basics

- SAM Registration
  - System for Awards Management
  - Allows you to apply for federal assistance
  - Required for any organization doing business with the US government
  - Can be accessed at www.sam.gov

CDBG Basics

- Annual Action Plan: The county submits to HUD, includes all proposed projects and goals for the Program Year
- This our funding application to HUD
- Program Year: May 1 – April 30
- Contracts with subrecipients are typically signed around August/September

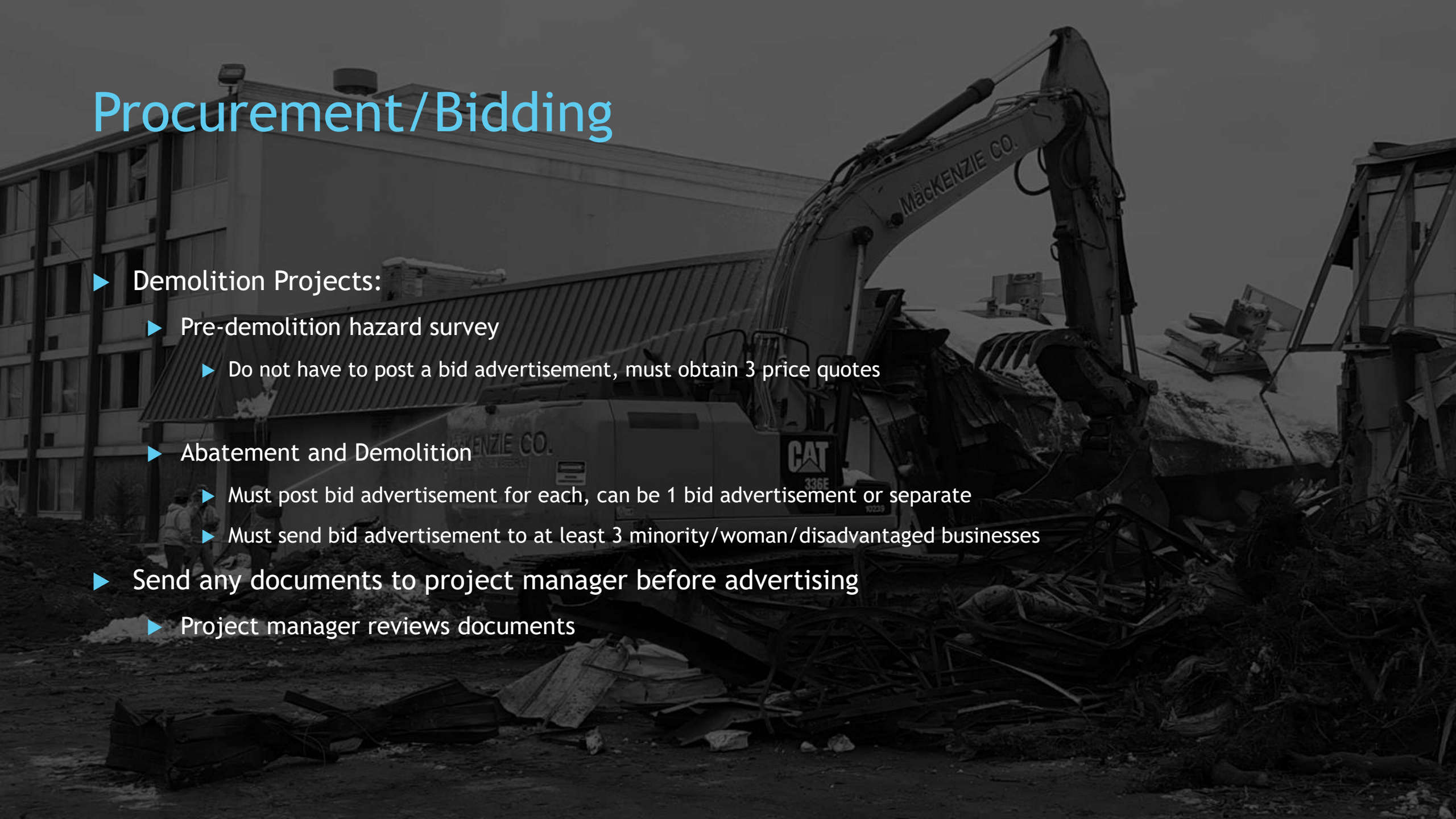
Procurement/Bidding

- At least 3 price quotes are required for any equipment or service contracts over $250.00.
  - Contractor used to complete work (Construction):
    - Projects over $2,000: Davis Bacon requirements kick in – wage decision required
    - Projects over $10,000: Must post bid advertisement in Flint Area Journal and Flint Area Building Trades or other local trades journal
      - Must send bid advertisement to at least 3 minority, woman, or disadvantaged business enterprise
    - Projects under $10,000: Must request 3 or more companies to submit bids, posting is not required
      - Must send to at least 1 minority, woman, or disadvantaged business

Procurement/Bidding

- Construction Projects:
  - Municipal staff or Genesee County Road Commission (GCRC) used to complete work:
    - Do not have to post bid advertisement unless obtaining materials
    - Staff does not have to follow federal wage requirements
      - Material cost more than $10,000: must post bid advertisement
      - Materials cost less than $10,000: must request 3 or more companies to submit bids, posting is not required

Procurement/Bidding



- Demolition Projects:
  - Pre-demolition hazard survey
    - Do not have to post a bid advertisement, must obtain 3 price quotes
  - Abatement and Demolition
    - Must post bid advertisement for each, can be 1 bid advertisement or separate
    - Must send bid advertisement to at least 3 minority/woman/disadvantaged businesses
- Send any documents to project manager before advertising
  - Project manager reviews documents

Davis Bacon/Labor Forms

- Labor standards must be met for all construction projects
- Laborers and mechanics employed on CDBG projects must be paid prevailing wages under the Davis-Bacon Act
- Contractors will receive work force and job site assessment information prior to construction and payroll record requirements and federal labor standards provisions while construction is ongoing (Contractor Labor Packet)
- A preconstruction meeting will be held with each contractor and each local unit before a project begins
- Wage interviews will be conducted onsite as the project is completed

Reimbursement Process

- Reimbursement requests are submitted through Neighborly
- Required Attachments
  - Attachment C – Reimbursement Request Form
  - Attachment D – Accomplishment Report
  - Backup documentation related to the expense (Receipts, copies of checks, quotes obtained, payroll information)

- A signature card is required from all LUGs to show who is authorized to sign CDBG documents on behalf of the designated municipality

Record Keeping & Monitoring

- Required documentation includes:
  - Conflict of interest policy
  - Certificate of insurance (liability insurance)
  - Internal controls (financial policies)
  - Chart of accounts showing line item for CDBG
  - SAM registration (annual renewal)

Record Keeping & Monitoring

- Documentation that will be reviewed during monitoring:
  - Project application
    - Public hearing publication, minutes, and sign in sheet
    - Board resolution and/or meeting minutes for approval of projects
  - Contract
    - Original signed contract
    - Any signed amendments
    - Resolution or meeting minutes from local board approval of amendment if project funding or scope changes

Record Keeping & Monitoring

- Documentation that will be reviewed during monitoring:
  - Reimbursement requests
    - Attachment C- Reimbursement Request Form
    - Attachment D- Accomplishment Data Sheet
    - All backup documentation related to the expense
    - Copy of any reimbursement checks and/or corresponding letters received from GCMPC

Record Keeping & Monitoring

- Procurement/Bidding:
  - Bid advertisement and wage decision
  - Minority outreach and Section 3 documentation
  - Bids received
  - Bid Tabulation Chart showing award to lowest bidder
  - Board Resolution and or meeting minutes accepting bid award
  - Service agreement/contract between prime contractor and LUG
  - Any other supporting documentation that is relevant to your project

Record Keeping & Monitoring

- During on site monitoring, staff is looking for LUG files to match GCMPC files
- The best practice is to save any documentation submitted to GCMPC in respective project folders and in Neighborly
- Saving any relevant correspondences with GCMPC and contractors is highly recommended
- Each CDBG project should be kept in its own folder
- HUD's recommended record retention is 4 years after the project's end date

Neighborly

- Live Demonstration
  - Neighborly Login

Common Errors

- Applying for ineligible projects
- Bidding without having the program manager review bid documents
- Bidding without a wage decision
- No pre-construction meeting prior to the project start date
- Not meeting Timeliness goals
- Disorganized reimbursement documents
- Submitting a reimbursement request with taxes included
- Submitting a reimbursement request for expenses outside of the contracted scope of work

Common Questions

- **Q: Can I move funding from one project to another?**

A: Yes, please reach out to your program manager to request a contract amendment. Please notify your program manager 60+ days before your contract expires as County approval processes may be lengthy. You will need to provide a letter of explanation and a resolution from your Board. Funds can only be moved to an existing open project. New projects are only allowed during the application period.

- **Q: Can my community apply for an additional project outside of the 3-year call for projects? Why?**

A: No, funding was allocated for the next three years during the call for projects. Staff expect that all funding will be exhausted at the end of each program year.

Common Questions

- **Q: What happens if my approved project or solicited bids cost more than the allocated CDBG funding for the program year?**

A: Subrecipients can use general funds, other grants, donations, etc. to supplement the overages. When applying for projects, staff recommend a realistic quote be obtained prior to submitting your application. It is also good to anticipate that there will be an increase in material and/or labor costs by the time your project year occurs. You may re-bid with new project specifications in an effort to bring bid costs down. Please note, if you choose to re-bid your project, your original bids will no longer be valid

- **Q: What happens if there are funds left over after the completion of an approved project?**

A: If available, additional funds can be moved to another project within the funding year.

Common Questions

- **Q: My approved project requires us to go out to bid, what happens if we don't get any bidders?**

A: While your bids are open, you may invite any company or organization of your choice to bid on your project. If you do not receive bidders within the bid timeframe, you may continue to contact companies/organizations directly in an effort to find a bidder. GCMPC staff can assist you in the event that no one bids on your project.

- **Q: What is Davis Bacon?**

A: The Davis Bacon Act is a law that requires all contractors to pay their workers the local prevailing wage. You must request a wage decision from your program manager prior to bidding.

Common Questions

- **Q: Can I submit all of my reimbursement requests just before the end of the contract deadline?**

A: As a subrecipient, you are required to submit reimbursement requests quarterly for expenses that occurred within that quarter. Staff are unable to approve reimbursement requests that occur outside of the current quarter (i.e. staff cannot approve a request from Q1 if it is submitted in Q4). A reimbursement schedule can be found attached with your agreement.

- **Q: What is Timeliness?**

A: HUD regulations require that Genesee County have no more than 1.5x our annual allocation in our account balance when checked by HUD staff in March. If Genesee County fails to meet HUD's Timeliness goals, it could result in the loss of CDBG funds. Timeliness goals stress the importance of the prompt spending of CDBG funds. Due to these deadlines, the County will only provide one year contracts to subrecipients.

Conclusion

- Link to CDBG Informational Videos
  - https://www.youtube.com/channel/UCzHw94b2juBITOnrNknZNNA?view_as=subscriber
- Questions?
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