



City of Kingsport 2022 Subrecipient Workshop

MAY 31, 2022

3PM-5PM

KINGSPORT HOUSING COMMUNITY ROOM

CDBG Overview

CDBG Objective

The primary national objective of the CDBG Program is **the development of viable urban communities principally for LMI persons.**

Things to know

- Funds are distributed by **reimbursement only**.
- Please do not begin ANY work until your contract has been signed and your scope of work approved
- Provide reports quarterly as required for compliance.
- Submit Request for expended funds quarterly as required for reimbursement.
- Funds are to be expended within the 12 month contract period.
- All funded non-profits must submit a year end report.

Things to know

You must report quarterly - funds will be held if reports are past due!

Reporting Timeline –

July - September – Report Due October 15th

October - December– Report Due January 15th

January - March – Report Due April 15th

April – June – Report Due June 15th

Annual Reports & Summary Narrative Due July 30th

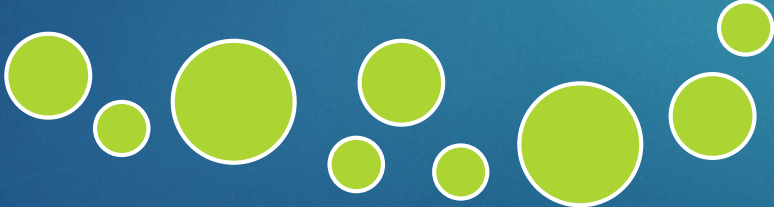
Things to know

- ▶ We are ALL subject to Federal Rules & Regulations



2 CFR Part 200

UNIFORM ADMINISTRATIVE REQUIREMENTS,
COST PRINCIPLES, AND AUDIT REQUIREMENTS
FOR FEDERAL AWARDS



24 CFR Part 570

CDBG Program Regulations



Things to know

- What is the purpose of a sub-recipient monitoring?
 - **It's a HUD Requirement.**
 - Sub-recipient monitoring is a key part of the CDBG program. The City bears the responsibility to ensure that Sub-recipients follow federal regulations, conduct the projects / services and accomplish the goals as established in the sub-recipient agreement.
 - Monitoring also provides opportunities for both the City and the Sub-recipients to identify issues that may hinder efforts to successfully accomplish the goals and address these issues in a timely manner.
 - Monitoring is also used by the City as a way to identify sub-recipient needs and provide technical assistance if necessary.

Application

▶ Application

- ▶ The application itself is a measure of the applicant's capacity.
- ▶ Follow instructions and submit all requested documentation.

Be innovative

- ▶ We're looking for new and innovative projects
- ▶ If your project has been funded before - how can you increase your level of service

Don't forget the Basics

- ▶ Complete ALL questions in the application (use N/A)
- ▶ Use the application checklist to verify all requested information has been provided

Notice of Funding Availability

- ▶ **Estimated funding available:**

- ▶ Community Enrichment - \$37,311 for public service projects
- ▶ Rehabilitation - \$75,000 for emergency home repair projects
- ▶ Clearance & Demolition - \$40,000 for demolition of vacant, dangerous and dilapidated structures for the development of future housing

Notice of Funding Availability

► Purpose:

Community Development Block Grant (CDBG) funds are provided by the U.S. Department of Housing and Urban Development (HUD) in order to improve local communities by providing decent housing, improved infrastructure, public facilities and services, and improved economic opportunities. Federal law requires community development grant funds primarily benefit low and moderate-income persons. Funds may also be used for activities that help prevent or eliminate slum or blight, or for projects that meet urgent community needs.

Notice of Funding Availability

▶ **Estimated Funding Timeline:**

- ▶ Application Deadline: July 1, 2022 at 5pm; NO applications will be accepted after the deadline
- ▶ Presentations to CDAC Board: July 8, 2022 – if requested
- ▶ Recommend projects to BMA: August 2, 2022
- ▶ Subrecipient Notification: August 3, 2022
- ▶ Subrecipient Grant Agreements: August/September 2022

Notice of Funding Availability

- ▶ **Scope of Work:**

- ▶ Under this program, CDBG funds may be used to provide services (including direct service labor, supplies, materials, facility maintenance and operation costs, and other costs).
- ▶ The completed application must address one or more of the targeted public service needs listed above and must serve primarily low to moderate-income persons in City of Kingsport.

- ▶ **Implementation Period: July 2022 – June 2023**

Notice of Funding Availability

► **Eligible activities that the project addresses include, but are not limited to the following:**

- ✓ Senior Services
- ✓ Services for Persons with Disabilities
- ✓ Legal Services
- ✓ Youth Services
- ✓ Transportation Services
- ✓ Substance Abuse Services
- ✓ Services for victims of domestic violence
- ✓ Crime Awareness/Prevention
- ✓ Fair Housing Activities
- ✓ Tenant/Landlord Counseling
- ✓ Child Care Services
- ✓ Health Services
- ✓ Services for Abused and Neglected Children
- ✓ Mental Health Services
- ✓ Homebuyer Downpayment Assistance
- ✓ Neighborhood Cleanups
- ✓ Food Banks
- ✓ Housing Counseling
- ✓ Clearance and Demolition
- ✓ Rehabilitation: Single-Unit Residential

Notice of Funding Availability

▶ **Application Process:**

- ▶ Applicants must submit **one** scanned **electronic copy** (PDF preferred) of the application
- ▶ Applications should be emailed to JessicaMcMurray@KingsportTN.gov by the application due date.
- ▶ Applications that do not arrive at the Community Development office by the application deadline will not be considered.
- ▶ Applicants should be prepared to present proposals to the Community Development Advisory Committee on June 8, 2022
- ▶ **Applications are due no later than Friday, July 1, 2022 at 5 PM**

Notice of Funding Availability

Selection and Evaluation Processes:

- The selection process of applications for funding will include a staff and Community Development Advisory Committee evaluation and recommendation for an award based on the following criteria:

Alignment with 5 year Consolidated Plan	10 points
Public Benefit	30 points
Organizational Capacity	5 points
Collaboration/Leverage	20 points
Clarity and Completion	10 points
Financial Feasibility	20 points
Discretionary Assessment	5 points

Notice of Funding Availability

▶ Selection and Evaluation Processes:

▶ Do you have -

- ▶ Prior work experience with CDBG and other grant funds
- ▶ Adequate staff
- ▶ Key staff experience/capability
- ▶ Agency capacity
- ▶ Liability Insurance

- ▶ Is the need adequately described?
- ▶ Will the project address program & service gaps?
- ▶ Will the project improve the quality of life?
- ▶ Does the applicant indicate outcomes?
- ▶ Does the applicant define goals?
- ▶ Is the process adequately described?
- ▶ Outcomes and success measureable?
- ▶ What National Objective is being met?
- ▶ Any efforts to coordinate and collaborate with other agencies?
- ▶ Service area identified (Kingsport City Limits)
- ▶ Any special attention to target population

Notice of Funding Availability

Selection and Evaluation Processes:

Grant applications go through a four step approval process:

1. Staff Review - (Non-compliant organizations are notified.)
2. Affordable Housing Loan Committee reviews the requests and makes funding recommendations to Board of Mayor and Alderman. (Compliant organizations present projects to the CDAC.)
3. City Board of Mayor and Aldermen reviews the Committee's recommendation and may adopt or change the funding allocations.
4. The BMA's funding decision is then sent to HUD as part of the City of Kingsport Annual Action Plan for HUD approval or denial.

Notice of Funding Availability

► **Contractual Requirements:**

- Applicants must demonstrate that they are a nonprofit organization or a governmental agency.
- After an application is approved for funding, an agreement will be prepared and sent by the City to the identified by the applicant as the authorized official for signature.
- Each agency receiving CDBG funding from the City is required to certify that it will conduct its business in compliance with the non-discrimination requirements of the City, State and Federal governments, as applicable. Equal Opportunity in Employment policies will be required.
- In the event of non-compliance, the agreement may be terminated or suspended.
- All recipients will be required to comply with the federal government's audit requirements as described in 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- Proposed project must meet one of the CDBG National Objectives

Public Services

- ▶ CDBG funds may be used to provide public services, provided that each of the following criteria is met:
- ▶ The public service must be either:
 - ▶ A new service; or
 - ▶ A quantifiable increase in the level of a service.

CDBG funds may be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.

Public Services

Public services include, but are not limited to:

- Child care,
- Health care,
- Job training
- Recreation programs,
- Education programs,
- Public safety services,
- Fair housing activities
- Services for senior citizens,
- Services for homeless persons,
- Drug abuse counseling and treatment,
- Energy conservation counseling and testing,
- Homebuyer downpayment assistance, and
- Welfare

Public Services

- ▶ The following Public services are **not eligible** under this category:
 - ▶ Political activities; §570.207(a)(3)
 - ▶ Ongoing grants or non-emergency payments to individuals for their food, clothing, rent, utilities, or other income payments. §570.207(b)(4)

Public Services

▶ **L/M Income Limited Clientele**

- ▶ A L/M income limited clientele activity is an activity which provides benefits to a specific group of persons.
- ▶ It may benefit particular persons without regard to the area in which they reside, or it may be an activity which provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51% of the beneficiaries of the activity must be L/M income persons.

Public Services

- ▶ To qualify under this subcategory, a limited clientele activity must meet one of the following tests:
- ▶ Exclusively benefit a clientele who are generally **presumed** by HUD to be principally L/M income persons.
 - ▶ The following groups are currently presumed by HUD to be made up principally of L/M income persons:
 - abused children,
 - elderly persons,
 - battered spouses,
 - homeless persons,
 - adults meeting Bureau of Census' definition of severely disabled persons*,
 - illiterate adults,
 - persons living with AIDS, and
 - migrant farm workers.

Public Services

OR

- ▶ **Require information on family size and income** so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the L/M income limit. (This includes the case where the activity is restricted exclusively to L/M income persons).
Reference: §570.208(a)(2)(i)(B) and (C)

OR

- ▶ Be of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be L/M income persons (e.g., a day care center that is designed to serve residents of a public housing complex). Reference: §570.208(a)(2)(i)(D)

Public Services

Records to be Maintained

- ▶ For each activity, one of the following five types of documentation must be kept:
 - ▶ (1) Documentation showing that the activity is designed to be used exclusively by a segment of the population presumed by HUD to be L/M income persons (e.g., abused children); or
 - ▶ (2) Documentation describing how the nature and the location of the activity establishes that it will be used predominantly by L/M income persons; or
 - ▶ (3) Data showing the size and annual income of the family of each person receiving the benefit; or

Rehabilitation

- ▶ CDBG funds may be used to finance the costs of rehabilitation or home repair of owner-occupied single-family residences.
- ▶ Eligible types of property:
 - ▶ Residential—Residential property, single family
- ▶ Eligible Activities:
 - ▶ Emergency repair that provide for the repair of certain elements of a housing unit in emergency situations, such as repairs to a roof that is leaking, but the whole house is not rehabilitated;

Rehabilitation

▶ Eligible types of assistance Costs

- ▶ Costs of labor,
- ▶ materials,
- ▶ Supplies
- ▶ Staff costs and related expenses required for outreach efforts for marketing the program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners
- ▶ other expenses required for the rehabilitation of property, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system).

Rehabilitation

- ▶ **Rehabilitation does not include:**

- ▶ Creation of a secondary housing unit attached to a primary unit;
- ▶ Installation of luxury items, such as a swimming pool;
- ▶ Costs of equipment, furnishings, or
- ▶ other personal property not an integral structural fixture, such as:
 - ▶ a window air conditioner; or
 - ▶ a washer or dryer (but a stove or refrigerator is allowed); or
- ▶ Labor costs for homeowners to rehabilitate their own property

Rehabilitation

Records to be Maintained

In order to demonstrate compliance, at a minimum the grantee must maintain the following records:

- ▶ Total cost of the activity, including both CDBG and non-CDBG funds.
- ▶ For each unit claimed to be occupied by a L/M income household, the size and combined income of the household.

Clearance & Demolition

- ▶ Under this category, CDBG funds may be used for:
 - ▶ Demolition of buildings and improvements;
 - ▶ Removal of demolition products (rubble) and other debris;
 - ▶ Physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and
 - ▶ Movement of structures to other sites. Reference: §570.201 (d)
- ▶ Demolition of HUD-assisted or HUD-owned housing units may be undertaken only with the prior approval of HUD.

Clearance & Demolition

- ▶ Demolition Only; CDBG is not used for acquisition.
- ▶ Remains in private ownership or public property acquired through other sources.
- ▶ Demolition is the only eligible activity.
- ▶ Example: Dangerous dilapidated housing is cleared for the future development of affordable housing
- ▶ Clearly describe the planned end use for the property

Clearance & Demolition

► L/M Income Housing

- **The cleared property will be used for providing housing to be occupied by L/M income persons.** Rental units for L/M income persons must be occupied at affordable rents. The grantee is responsible for establishing the criteria it will use to determine rent affordability for this purpose and must make these criteria public. Reference: §570.208(a)(3)
- **Clearance may qualify under the Housing category if the cleared property will be used for housing to be occupied by LMI households.**
- Note that L/M Income Benefit status for this purpose is based on households and not persons.

Clearance & Demolition

Records to be Maintained

In order to demonstrate compliance, the grantee must maintain at a minimum the following records:

A copy of the written agreement with each landlord or developer receiving CDBG assistance indicating the total number of dwelling units in each multi-unit structure assisted and the number of those units which will be occupied by L/M income households after assistance.

Total cost of the activity, including both CDBG and non-CDBG funds.

For each unit claimed to be occupied by a L/M income household, the size and combined income of the household.

For rental housing only: the rent charged (or to be charged) after assistance for each dwelling unit in each structure assisted; and information as necessary to show the affordability of units occupied (or to be occupied) by L/M income households pursuant to criteria established and made public by the grantee. For each property acquired on which there are no structures, evidence of commitments ensuring that the above criteria will be met when the structures are built.

Let's start the Application

- ▶ Organization/Agency Legal Name:
- ▶ Organization/Agency Address:
- ▶ Organization/Agency Phone Number:
- ▶ Website:
- ▶ Contact Person:
- ▶ Contact Person Email:

General Information

Select Type of Organization:

- ▶ Subrecipients are generally public or private nonprofit organizations that assist the grantee to undertake a series of activities.

General Information

Faith Based Organizations

- ▶ CDBG funds may be used for eligible public services to be provided through a religious entity, provided that the entity enters into an agreement with the City stating that it will not discriminate on the basis of religion and it will not provide any sort of religious services or activities as part of the project/service.

General Information

- ▶ Agency DUNS & BRADSTREET & Tax ID
 - ▶ <https://www.dnb.com/>
- ▶ Federal Tax ID Number

Project Information

- ▶ Project Title –
 - ▶ What is the name of the project or program?
- ▶ Project Start Date
 - ▶ What day will you begin implementing the program?
- ▶ Project End Date
 - ▶ What day to you anticipate the project being completed for the 2022-2023 program year?
- ▶ Project Address(es)
 - ▶ Where will the program or project take place?
- ▶ Hours of Operation
 - ▶ What are hours is the organization open?

Project Information -

National Objectives

- **Benefit low-moderate income persons either individually or area-wide, or activities that benefit special populations.**
- Aid in the prevention or elimination of slums and blight.
- Meet urgent need.

Project Information -

Performance Objectives

Creating a suitable living environment – providing services to improve lives

Providing decent housing – providing services to improve housing conditions or opportunities

Creating economic opportunities – providing services that create economic opportunity

Only one objective should be selected.

Project Information -

Performance Outcomes

Availability /Accessibility – improving availability or accessibility of units or services

Sustainability – Improving sustainability by promoting viable communities

Affordability – Improving affordability of housing or services

Only one outcome should be selected.

Project Information -

Number of Clients served

How many individuals or households do you plan on serving with this project?

Individual Clients/Persons or Households

Generally, public service activities serve individuals

Rehabilitation and Home Repair serve households

Clearance and demolition serve households

Project Information

Beneficiaries of activities as LMI and qualifying under the limited clientele category, activities must meet one of the following tests:

- ▶ Benefit a clientele that is generally presumed to be principally LMI. This presumption covers abused children, battered spouses, elderly persons, severely disabled adults homeless persons, illiterate adults, persons living with AIDS and migrant farm workers; **or**
- ▶ Require documentation on family size and income in order to show that at least 51 percent of the clientele are LMI; **or**
- ▶ Have income eligibility requirements limiting the activity to LMI persons only; **or**
- ▶ Be of such a nature and in such a location that it can be concluded that clients are primarily LMI. An example is a day care center that is designed to serve residents of a public housing complex.

Project Information

Presumed Benefit

- ▶ Benefit a clientele that is generally presumed to be principally LMI.
- ▶ This presumption covers:
 - ▶ abused children,
 - ▶ battered spouses,
 - ▶ elderly persons,
 - ▶ severely disabled adults
 - ▶ homeless persons,
 - ▶ illiterate adults,
 - ▶ persons living with AIDS and migrant farm workers;

Project Information



Eligible Activities, Include but are not limited to:

- ▶ Senior Services
- ▶ Services for Persons with Disabilities
- ▶ Legal Services
- ▶ Youth Services
- ▶ Services for victims of domestic violence
- ▶ Employment Training
- ▶ Crime Awareness/Prevention
- ▶ Fair Housing Activities
- ▶ Tenant/Landlord Counseling
- ▶ Child Care Services
- ▶ Health Services
- ▶ Services for Abused and Neglected Children
- ▶ Mental Health Services
- ▶ Food Banks
- ▶ Housing Counseling
- ▶ Clearance and Demolition
- ▶ Emergency Repair/Rehab: Single-Unit Residential

Funding Request

Funds are limited so be realistic in your request

- Is it a project you can complete within 12 months?
- Do you have other funds available?
 - CDBG funds are “gap” funds.

CDBG funding cannot nor is it intended to fund a project and/or program 100% - funds are not meant to sustain your organization

Agency Capacity & Experience

- ▶ Briefly describe your organization's history, mission, year established, and services provided. – short and sweet. This doesn't have to be long.
- ▶ Who will be the person responsible for the overall oversight of the proposed project? Please describe their experience with the project and length of service in their position. - This is typically your program manager(s)
- ▶ Who will be the person(s) responsible for the day-to-day operations and management of your organization? Please provide no more than two individuals. – This is typically the ED of organization
- ▶ Please describe your organization's experience and major accomplishments in providing services to LMI residents and/or communities. – Briefly describe 1-2 successful programs/programs your organization has completed for LMI communities.
- ▶ Please describe your organization's overall experience managing Federal grants, particularly CDBG. – short and sweet.
- ▶ Has your organization carried out or attempted this project before, with, or without the assistance of CDBG funds? If yes, what were the results of the project? – short and sweet.

Risk Assessment

- ▶ Has your organization had any changes to key staff or positions in the past 12 months?
- ▶ Has your organization had any changes to *business systems in the past 12 months?
- ▶ Does your organization have policies and procedures for the following items?
 - ▶ Procurement
 - ▶ Drug Free Workplace
 - ▶ Conflicts of Interest
 - ▶ Financial Management
 - ▶ Property/Equipment Management Disposition
 - ▶ Retention of Records of Policy
 - ▶ Civil Rights/Equal Opportunity/ Fair Housing

Risk Assessment

- ▶ Did your organization expend \$750,000 or more in Federal grant funds in the previous fiscal year?
- ▶ Has your organization had a Single Audit or other financial audit in the last 12 months?
- ▶ Does your organization have an accounting system in place to segregate expenditures by funding source?
- ▶ Does the accounting system produce a budget vs. expenditures report?
- ▶ Does your organization maintain central files for grants, loans, or other types of financial assistance documentation and records?

Risk Assessment

- ▶ Does your organization have a time and effort system that:
 - ▶ a) Records all time worked, including time not charged to awards?
 - ▶ b) Records employee time specifically by cost objective/activity?
 - ▶ c) Is signed off by the employee and a supervisor?
 - ▶ d) Complies with the established accounting policies of the organization?
- ▶ Is your organization presently debarred or suspended by a Federal, State, or Local Agency?
- ▶ Has your agency received CDBG funding from the City of Kingsport in the past two fiscal years?
- ▶ Has your organization been defunded or had a reduction in a grant, loan, or other type of financial assistance in the past 12 months?

Risk Assessment

- ▶ Does your organization obtain prior written approval from a funding agency when:
 - ▶ a) The scope or objective of the program/project changes?
 - ▶ b) A budget revision or adjustment is desired?
- ▶ Has your organization been subject to conditional approvals for a grant due to compliance issues?
- ▶

Project Narrative

- ▶ In no less than one paragraph, please clearly describe the project your organization is proposing.
- ▶ Explain how this project is a new or expanded service.
- ▶ Does your organization use an intake form to track client information and collect demographic data such as race, income level, disability, age, etc.? If yes, please attach one copy of your intake form. If no, how is demographical data is collected?
- ▶ What are your goals and measurable objectives for the project?

Detailed Budget

- ▶ You MUST submit a detailed PROGRAM/PROJECT budget!

Certifications

- ▶ Every person or agency awarded a CDBG contract or grant by the City of Kingsport for the provision of services shall be required to certify to the City that they will comply with federal requirements including, but not limited to, those listed below. The person authorized to sign CDBG agreements should initial each certification listed to indicate you or your agency can and will comply with these requirements if funded.

Designated Authorized Signers

- ▶ Please provide the information listed below to certify the designated individuals authorized to sign documents on the agency's behalf. This person is expected to sign all CDBG grant agreement, program reports, and reimbursement requests.

Checklist

- ▶ Applicants should attach the following documentation:
 - ▶ **Detailed project budget**
 - ▶ List of Board of Directors
 - ▶ Organizational chart
 - ▶ List of Program and/or key Volunteer Staff; provide a description of role in organization and past work experience
 - ▶ Official documentation attesting to your non-profit status (if applicable)
 - ▶ Your organization's most recently approved budget for program year 2022-2023
- ▶ Optional:
 - ▶ List any letters of support or additional documentation supplied

Checklist

- ▶ If funded, applicants will be asked to provide additional information including but not limited to the following:
 - ▶ Copy of your organization's Articles of Incorporation and Bylaws
 - ▶ Your organization's most recent audit (if it has one)
 - ▶ Your organization's most recent 990 (if applicable)
 - ▶ Your organization's most current financial statements

Resources

- ▶ <https://files.hudexchange.info/resources/documents/Playing-By-the-Rules-a-Handbook-for-CDBG-Subrecipients-On-Administrative-Systems.pdf> - Playing By the Rules – CDBG Subrecipient Guide
- ▶ <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1> – CFR 200 – UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS
- ▶ <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-570> - PART 570 - COMMUNITY DEVELOPMENT BLOCK GRANTS

Questions?



Contact Information

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