

Washtenaw Urban County

Office of Community & Economic Development

Community Development Block Grant Program

2021-2022

Pre-Application Guide

Applications Due: March 11, 2021

**WASHTENAW COUNTY 2021-22 COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG) PROGRAM**

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Washtenaw County 2021-22 Community Development Block Grant (CDBG) Program

What is CDBG?

The U.S. Department of Housing and Urban Development (HUD) provides Community Development Block Grant (CDBG) funds to entitlement community grantees, like Washtenaw County, to carry out a wide range of community development activities. These activities are directed primarily toward revitalizing neighborhoods, improving infrastructure and community facilities in low to moderate income areas, providing public/social services, and encouraging economic development.

To determine annual CDBG award amounts, HUD uses a funding formula comprised of several measures of community need. These measures include: the extent of poverty, population, and [housing problems as defined by HUD](#).

CDBG funds must be used for activities that benefit low and moderate-income areas or households (Page 7). In addition, each CDBG-assisted activity must meet at least one (1) of the following National Objectives for the program:

- (1) Provide benefit to low- and moderate-income persons and households;*
- (2) Aid in the prevention or elimination of slums or blight conditions; or*
- (3) Urgent need*

National Objective #3 is used on extremely rare occasions; it must be an urgent local need with no other funding sources available.

Questions concerning CDBG project applications can be directed to Tara Cohen at (734) 544-3056 or cohent@washtenaw.org.

Washtenaw County 2021-22 Community Development Block Grant (CDBG) Program

What Projects Are Eligible Under CDBG?

Projects that are located in low to moderate income areas (Page 6), or directly benefiting low to moderate income persons or households, and that meet a National Objective, are typically eligible under the CDBG program. The following list can help you identify the types of community needs you may be able to address with a CDBG-funded project. Please keep in mind that this is not an exhaustive list and new project ideas are encouraged.

CONSTRUCTION PROJECTS

- Engineering & Design activities (must result in a construction project)
- Sidewalk Improvements (e.g. Infill/ADA Curb Cuts)
- Street Improvements (including pedestrian safety improvements)
- Bike paths & Non-motorized trails
- Water/Sewer Improvements
- Improvements to lighting in public spaces
- Neighborhood parks/playgrounds improvements
- Community Center/Senior Center improvements
- Acquisition of real property
- Special Assessment Assistance
- Construction/Rehabilitation of publicly owned buildings (not used for general government)
- Streetscape improvements in neighborhoods/commercial districts
- Demolition and site clearance activities
- Removal of architectural barriers (includes buildings for general government)

ECONOMIC DEVELOPMENT

- Job training/Creation of economic opportunities that primarily benefit low- and moderate-income residents.
- Acquisition, construction, rehabilitation, installation of commercial/industrial buildings and other real property equipment and improvements.
- Assistance to private, for-profit businesses.
- Provision of financial and/or technical assistance for microenterprise owners/developers

OTHER ACTIVITIES

- Code enforcement activities
- Purchase of Firefighting equipment

PUBLIC/SOCIAL SERVICES

- Up to 15% of the annual CDBG entitlement grant can be used for public (social) services. Washtenaw Urban County, as one of several funding entities for Coordinated Funding, contributes 100% of its allowable CDBG public services dollars to this larger initiative.

**WASHTENAW URBAN COUNTY EXECUTIVE COMMITTEE: POLICY & PROCEDURES
FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ALLOCATIONS TO LOCAL UNITS**

APPROVED BY URBAN COUNTY EXECUTIVE COMMITTEE, JANUARY 8, 2020

AMENDED BY URBAN COUNTY EXECUTIVE COMMITTEE, MARCH 3, 2021

EFFECTIVE JULY 1, 2020

- 1) A Local Unit’s allocation must be specifically programmed in the Annual Action Plan for the local unit to receive/utilize CDBG funds;
- 2) Local Units program their annual allocations by completing the CDBG project application form and submitting the completed form to OCED CDBG Management Analyst. Project application must include, at minimum: valid cost estimates, program/project budget, preliminary plans, and a realistic timeline with a target completion date; application must be reviewed and approved by OCED staff.
- 3) Reserving CDBG allocations is permitted for jurisdictions according to their specific tier, as follows:

Tier	Annual Allocation Range	Maximum Reserve Period
1	Less than \$20,000	Year 5
2	\$20,000 and above	Year 2

Maximum Reserve Period in the above table refers to the maximum number of consecutive years’ CDBG funds that can be applied toward a local project to be carried out by the Local Unit once the last year of funding becomes available, and after the project has obtained environmental clearance from HUD. Local projects with multi-year funding are still subject to all other guidelines outlined in the *Policy & Procedures for CDBG Allocations to Local Units*.

- 4) CDBG allocations expire¹ 2 years from the date of HUD environmental clearance. OCED is responsible for the environmental review process on all CDBG projects within the Urban County. For projects with multi-year funding, OCED will typically schedule the environmental clearance for the 3 to 9 months prior to the Local Unit’s targeted implementation date (e.g. target date for issuing a Request for Bids). Once OCED has informed the Local Unit of environmental clearance on the project, the Local Unit then has 2 years by which they must reach substantial completion on their specified project. Exceptions may be approved on a case-by-case basis.
- 5) When applying for CDBG projects, the Local Unit can request implementation for a specific year, based on the Local Unit’s specific tier, as shown below. Typically subrecipient agreement contracts will be issued for 1-year contract terms based on the project timeline and target completion date.

Tier	Annual Allocation Range	Project must be Implemented by:
1	Less than \$20,000	Year 5
2	\$20,000 and above	Year 2

¹*Expiration of CDBG allocation dollars means those particular CDBG funds are no longer available to the Local Unit of Government, and the funds in turn become available for County-wide CDBG programming, e.g. Single Family Rehab Program, COVID response, et cetera.*

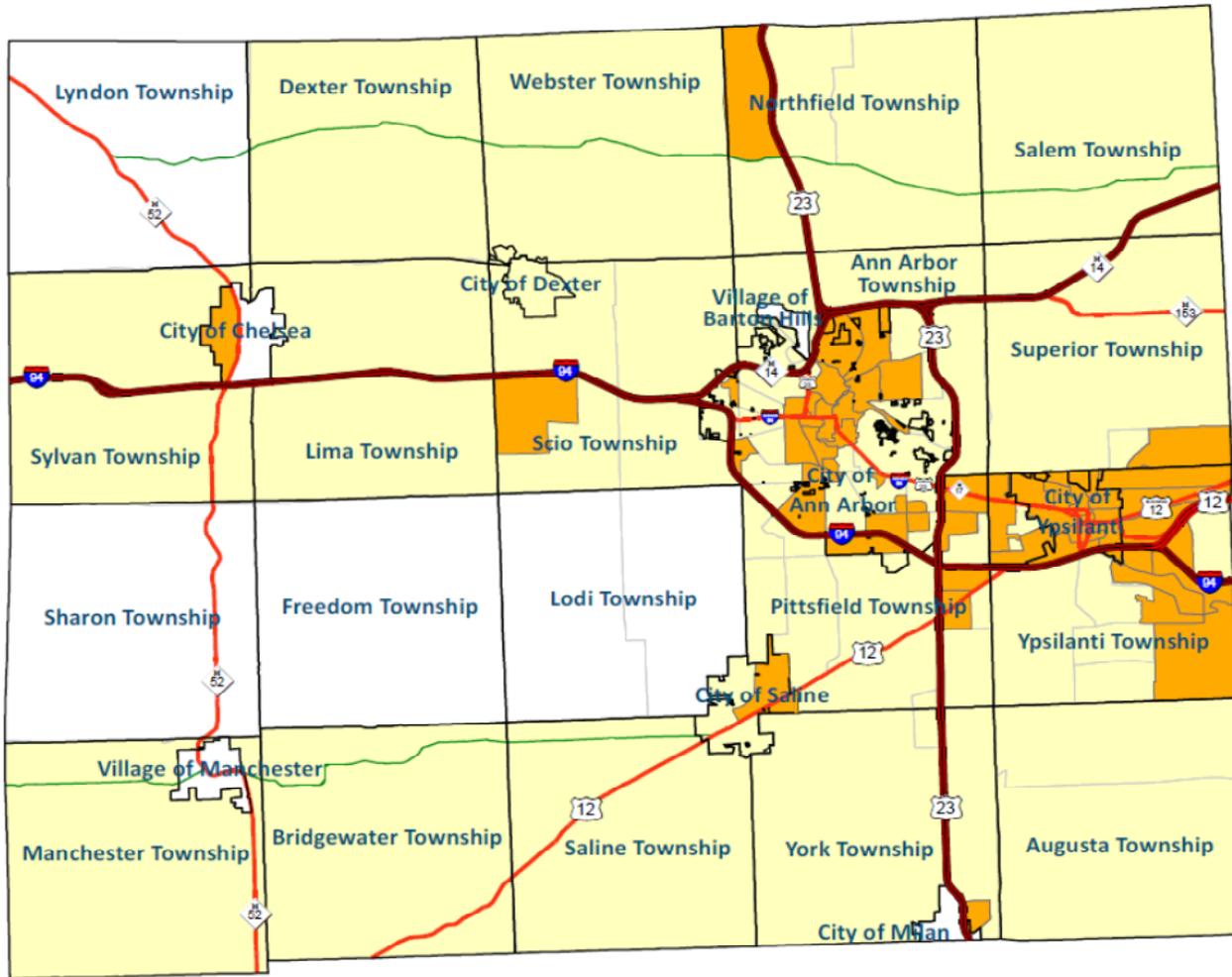
- 6) Local Units that utilize CDBG for planning/engineering/design activities will have 1 year to complete planning/engineering/design activities, and 2 years from the date of environmental clearance from HUD (as communicated by OCED) to achieve substantial completion on the construction project resulting from the CDBG-assisted planning/engineering/design activities. See #4 above for more detail regarding timing for environmental clearance. If the planning grant does not result in a construction project, the Local Unit will be required to pay back the planning grant to OCED.
- 7) Balances on local allocations also expire 2 years from the date of HUD environmental clearance; e.g. \$80,000 is allocated to a City's Project X for 2020 and the City receives notice from OCED of environmental clearance on September 20, 2020. At completion of the project, the City only requests reimbursement for eligible CDBG costs of \$75,000; the City would then have until September 20, 2022 to utilize their \$5,000 balance from their 2020 CDBG allocation.
- 8) During the annual Action Planning process, any Local Units that do not submit an application for an eligible project will effectively "donate" that year's allocation to the County-wide Single Family Rehab Program².
- 9) Local Units with CDBG balances as of June 30, 2020 will have until June 30, 2023 to program those funds for eligible CDBG projects.

Requests for exceptions to these policies and procedures necessitated by extenuating circumstances must be submitted in writing to OCED staff. Staff will make every effort to review and respond to requests within two (2) weeks.

²*Exceptions can be made. For example, in 2020 OCED staff made an administrative decision that "donated" allocations would go toward public services for COVID-19 response efforts.*

WASHTENAW URBAN COUNTY LOW-MODERATE INCOME MAP*

**Please note that more detailed LMI maps for each of the 20 local communities were distributed in Spring 2019, and are available on the [Urban County website](#).*



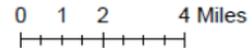
Washtenaw County, Michigan
Percentage of Low and Moderate Income Persons by Census Tract and Census Block Group - Based on 2011-2015 ACS Data -- Released February 2019, Applied April 2019

Percentage of Low and Moderate Income Persons By Census Tract and Census Block Group

- 51% - 100% LMI
- Urban County Participants
- Freeways
- Expressways
- State Highways



Source: American Community Survey (ACS) 5-Year 2011-2015 Low and Moderate Income Summary Data, U.S. Census Bureau. Released by U.S. Department of Housing and Urban Development February 2019.



The map shown here is for illustrative purposes only, and is not suitable for site-specific decision-making. The data depicted is compiled from a variety of sources, thus this information is provided with the understanding that the conclusions drawn from the data are solely the responsibility of the user. Any assumptions of the legal status of this data are hereby disclaimed. Last Update: 3/24/2019 Washtenaw County Office of Community and Economic Development.



ADDITIONAL TIPS FOR USING CDBG FUNDS

FOR COMMUNITIES WITH NO OR LIMITED LOW-MOD INCOME (LMI) AREAS: If your community's LMI map does not have any "orange" areas (the orange shading indicates 51% or more Low-moderate income for a specific census tract or block group), you may wish to consider the following types of eligible activities that are **not** dependent on low-moderate income maps:

- 1) Removal of architectural barriers – i.e. ADA-compliant sidewalk ramps, building accessible entrances for public facilities, et cetera.
- 2) Facility/infrastructure construction or improvements that explicitly benefit a category of clientele that is generally *presumed* to be principally LMI group, specifically: seniors/elderly persons, adults with severe disabilities, survivors/victims of domestic violence, homeless persons, child survivors of abuse, persons living with HIV/AIDS, illiterate adults, and migrant farm workers.
- 3) Facility/infrastructure construction or improvements for a service location/facility that can demonstrate 51% or greater of clientele to be LMI through collection of income eligibility data.
- 4) Activity that is of such a nature and in such a location that it can be reasonably concluded that clients are primarily LMI. Example: Improvements to a playground that is designed to serve residents of a public housing complex.
- 5) Spot demolition to eliminate blight. Example: removing a dangerous building, and planting the site with grass. For demolition, keep in mind that:
 - ✓ The City/Township must be able to show legal authority to demolish the subject property.
 - ✓ The end use of the site being demolished can affect whether a project is eligible for CDBG, and/or if funding must be reimbursed to the Urban County.
- 6) Conduct a household income survey to demonstrate 51% or greater of your project's "service area" (as defined by you) is LMI. Please keep in mind that household income surveys involve a high level of effort on the local community's leadership (Urban County representatives, and/or others) and OCED staff must obtain HUD approval of your survey methodology prior to conducting the survey. If you are interested in this option, [please contact OCED's CDBG Management Analyst to find out whether a survey is feasible for your potential project.](#)

OTHER TIPS

- You will want to give consideration to when and where it makes most sense to use your CDBG dollars.
- CDBG-funded projects (with the exception of demolition projects) are subject to the [Davis Bacon Act](#) (prevailing wages) and [Section 3](#), which is a provision of the HUD Act of 1968 to help foster local economic development and individual self-sufficiency. This means that CDBG-funded projects are typically more expensive to carry out than a project funded with local or other non-federal funds – due to the additional paperwork/administrative burden on the part of contractors and subcontractors, as well as the fact that prevailing wages must be paid.
- CDBG funds "taint the pot": This means that, even if you only put \$1 of CDBG funding into a \$500,000 project, the entire project would be subject to all the CDBG-related regulations mentioned above.
- Typically it is more efficient to use CDBG funds for local projects within (or at least close to) your available CDBG budget, rather than offsetting a much more expensive project with a relatively small amount of CDBG funds.

ADDITIONAL TIPS FOR USING CDBG FUNDS (CONTINUED)

- Keep in mind that ALL projects funded by CDBG require environmental clearance, and OCED can only begin the environmental review once the City/Township submits all the required project information and supporting documentation as described in the project application. Depending on the complexity of the project, the environmental clearance process can take up to 6 months from start to finish.
- Most non-residential facility improvement projects (e.g. senior centers, community centers) will require a Phase I Environmental Site Assessment, and in some cases, hazardous material surveys including asbestos, lead, and radon testing (requirements are dependent on the age of the facility). The City/Township would be responsible for contracting environmental firms to conduct any such required tests (Note: There is a separate Environmental Assessment grant program through the [Brownfield Redevelopment Authority](#) to obtain reimbursement for Phase I ESA's and Lead/Asbestos testing.