



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities

# CDBG Program Overview

- Funding authorized under the *Housing and Community Development Act of 1974*
- Three National Objectives:
  - Low- and moderate-income benefit
  - Slum and blight elimination
  - Urgent community development needs

# CDBG Program Overview

- Serves Non-Entitlement localities
  - Only localities are eligible applicants
- Program Design establishes Virginia's overall Program Goal and Objectives
- Request for Proposal
  - CDBG Competitive Application Guidelines and Open Submission Program Fact Sheets

# CDBG Method of Distribution

2023 CDBG Allocation	\$18,242,546
Prior Year Funding	<u>\$3,746,773</u>
Total	<b>\$21,989,319</b>

## CDBG Community Improvement Grant Programs

Competitive	\$ 13,989,319
Planning Grants	\$ 1,000,000
Open Submission Funds	\$ 6,000,000
Public Services	
Scattered Site	
Community Economic Development	
Local Innovation	
Construction-Ready Water and Sewer Fund	
Regional Water/Wastewater Fund	
Urgent Need Open Submission Projects	<u>\$ 1,000,000</u>

# CDBG Program Schedule

Program	Deadline
Open Submission, Planning Grants, and Urgent Need	Open July 1 <sup>st</sup> - December 30 <sup>th</sup> , 2023
Competitive Grant	Due June 1 <sup>st</sup> , 2023



# Summary of Program Changes

- Public Services as open submission - 3 funding areas (\$250,000 or \$500,000 for regional):
  - Childcare programs
  - Health services programs
  - Food security programs
- Increase in Grant Award amounts for construction/infrastructure projects
- Infrastructure projects will comply with Build America, Buy America (BABA) program – guidance forthcoming
- Increase CDBG grant cap from \$2.5 million to \$3 million
- Increase water and sewer improvement caps:
  - \$30,000 per water connection (previously \$25,000)
  - \$50,000 per sewer connection (previously \$35,000)
- Local Innovation open submission (\$500,000)

# Programmatic Changes: Open Submission

## Public Services

- Eligible for up to \$250,000 or \$500,000 for regional
- Meant to respond to a timely or pertinent community need
- 3 priority areas:
  - Childcare
  - Health services
  - Food security programs

# Programmatic Changes: Open Submission

Local Innovation

\$500,000 per project; up to \$1,000,000 for regional projects

Eligible uses are as follows:

- Individual Development Account programs;
- Program funds to support Economic Restructuring activities;
- Entrepreneurship Development
- Small Scale Manufacturing
- Telecommunications/broadband projects



# Open Submission Grant Cycle

- \$1,000,000 is reserved for Planning Grants
- Expected **\$7 million** available in funding
  - Public Services
  - Construction-Ready Water and Sewer
  - Local Innovation Fund
  - Community Economic Development Fund
  - Scattered Site Housing Rehab
  - Urgent Need
  - Regional Water/Wastewater Fund
- July 1<sup>st</sup> – December 30<sup>th</sup>, 2023

# Community Economic Development

- \$1,000,000-\$1,250,000
- Irrevocable Letter of Credit, bond, or other guaranteed form of security is required in the amount of the grant.
- Categories that CED projects typically fall into:
  - Job Creation and Retention –must be 51% LMI
  - Site Redevelopment-target sites that have been rendered unusable
  - Develop Readiness-completion of improvements which will result in the creation of business and job opportunities

# Competitive Grants

- **Housing** – Rehabilitation of housing units to DHCD Housing Rehabilitation Standards or construct new housing units. Targeted project area
- **Comprehensive Community Development**– At least two major activities, such as water, sewer, housing, etc.
- **Public Infrastructure**– Water/Wastewater services, drainage improvements, streets (including streetscapes).
- **Community Service Facility** – Workforce training, health care, daycare associated with economic development, etc.
- **Business District Revitalization** – downtown revitalization/economic development

# Housing

- Up to \$1,250,000
- Know your Project Area – make it manageable for 24 month timeline
- Leverage, i.e., Weatherization and Lead Hazard Reduction (LHR) funds
- LHR Program includes incentives for administration and construction
- Existing cost limits for pre-1978 rehabs with no abatement contractors
- If rehabs will eliminate lead hazards through assessments, stabilization, abatement and clearance – grantee may use new cost limits

# Housing Rehabilitation Project Mistakes

- Many communities have not clearly documented how many homes actually need assistance (assessed needs compared to housing units to be served)
  - Example-A total of 50 homes listed in project area, 24 to be assisted with the project.
    - Can be remedied by a detailed description of the condition of the homes not being assisted
    - Map referencing
- Unsigned participation agreements by identified property owner
- Outdated participation agreements (more than 1 year old)
- Not submitting LMI income surveys/LMI Census data

# Housing Summary Table

Project Area Totals						
	Total # Units		# Substandard Units		Total # Persons	
	<i>Project Area</i>	<i>LMI</i>	<i>Project Area</i>	<i>LMI</i>	<i>Project Area</i>	<i>LMI</i>
<b>Owner Occupied</b>						
Single-Family	11	8	8	8	32	26
Multi-Family	0	0	0	0	0	0
Mobile Homes	0	0	0	0	0	0
<b>Renter Occupied</b>						
Single-Family	8	5	5	5	17	14
Multi-Family	0	0	0	0	0	0
Mobile Homes	0	0	0	0	0	0
<b>Vacant</b>						
Single-Family	3	0	0	0		
Multi-Family	0	0	0	0		
Mobile Homes	0	0	0	0		
<b>Total</b>	<b>22</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>49</b>	<b>40</b>

- 1 landlord participation agreement & 2 owner-occupied participation agreements not signed by identified property owner
- 7 participation agreements are dated between late 2016 and early 2017 so continued interest is unclear
- 1 rental being rehabbed is vacant. For how long is unclear so eligibility is uncertain. Proposed tenant identified



# Comprehensive Community Development

- Must target at least two activities, with an emphasis on Housing
- Other significant activities must be supported by neighborhood surveys, preliminary engineering report or needs assessments
- Significant activities: water, sewer, streets, ED and CSF
- Limits on the CCD application request:
  - Two activities \$1,300,000 + \$110,000 in Admin
  - Three activities - \$1,600,000 + \$120,000 in Admin
- Water or Sewer improvements cannot exceed:
  - \$30,000 per household budgeted for water
  - \$50,000 per household budget for sewer

# Public Infrastructure (Including Housing Production)

- Max Award: \$1,250,000
  - Max CDBG investment per water connection: \$30,000
  - Max CDBG investment per sewer connection: \$50,000
- Project area must be at least 51% LMI
  - Service must be *made available to* all occupied LMI households
- Household income surveys and user agreements
  - Complete prior to submitting application
- Projects will adhere to Build America, Buy America (BABA) requirements

# Community Service Facility

- Up to \$1,000,000 grant award (Multi-Purpose Community Centers can be awarded \$1.5 million)
- Must demonstrate that facility development is a clear local community development priority.
- Must provide 51% benefit to LMI or be in a LMA
- Examples: daycare facilities, skill building facilities, health clinics

Calfee School Adaptive Reuse Project (Pulaski)



# Business District Revitalization (BDR)

- \$1,000,000
- At least 25% blighted (physical) or 50% vacancy rate (economic)
- Economic Restructuring Plan or Economic Development Strategy
- Applicant must provide analysis of housing and other community needs
- Design and marketing activities up to 5% are eligible
- Applicant must enact and enforce project area ordinances
- Must adopt minimum design and maintenance standards
- Important change-No façade match requirement

# Business District Proposal Mistakes

- Demonstration of blight (25% or more physical blight or 50% economic blight) not clearly defined or depicted
  - Can be accomplished by including a detailed map or complete listing of identified blighted properties
- Not addressing other blight or vacancies in the project area
- Not submitting an Economic Restructuring Plan or Economic Development Strategy
- Not submitting signed façade participation agreements
- Not submitting documentation of support from business community for the project

# Competitive Proposal Evaluation Criteria

- National Objective Relationship
- Composite Fiscal Stress
- Regional Priorities
- Costs and Commitments
- Project Specific Evaluation
  - Community Priority (scoring based **only** on submitted materials demonstrating community needs)
  - Stakeholder Involvement
  - Readiness (timeliness and costs)
  - Capacity (local and community engagement)
  - Long-term Impact/sustainability



# Application Overview: Common Mistakes and Helpful Tips

# APPLICATION BASICS

- Two public hearings are required
  - First Public Hearing: solicits input on local community development and housing needs and past use of CDBG funds
  - Second Public Hearing: solicits input on a locality's proposed CIG proposal
- Advertisement and timing
  - Advertised at least seven days prior in the non-legal section of the local paper and by one other method. Hearings must be held at least one week apart
  - Adhere to 2023 CDBG Program Design for public hearing requirements



# Public Hearings

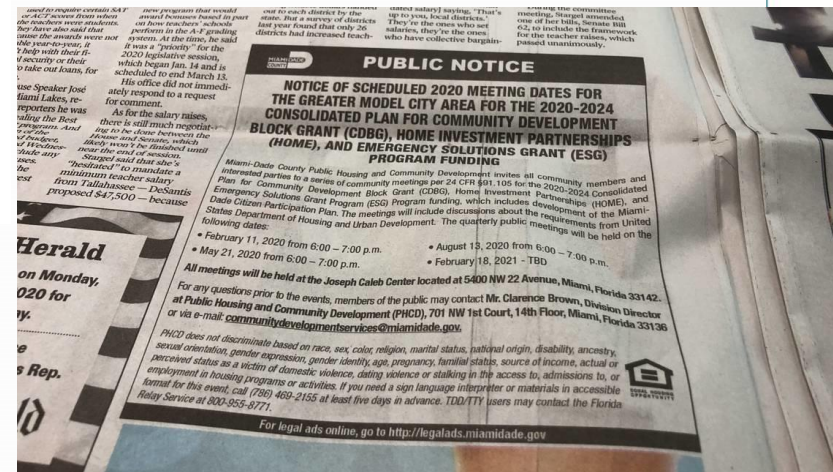
## Model Advertisement – First Public Hearing

(Locality) will hold a public hearing on (date) at (time) at (location) to solicit public input on local community development and housing needs in relation to Community Development Block Grant (CDBG) funding for a project in our community.

Information on the amount of funding available, the requirements on benefit to low- and moderate-income persons, eligible activities, and plans to minimize displacement and provide displacement assistance as necessary will be available. Citizens will also be given the opportunity to comment on (locality's) past use of CDBG funds. All interested citizens are urged to attend. For additional information, contact (local contact name and information).

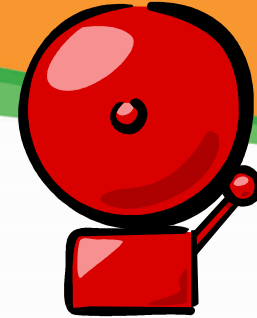
Comments and grievances can be submitted in writing to (locality) at (address) or by phone at (phone number and TDD) until (cut-off date).

If you plan to attend and have any special needs requirements, please call the number listed above.



*Don't forget the minutes!*

# APPLICATION BASICS



- \$3 million cap on open CDBG projects
  - Projects **must be closed out** by June 1st to not count against the cap for the 2023 competitive round
- Include assurances, copies of advertisements, and copies of notices in ALL proposals
- Transmittal letter to PDC
- Regional Priorities must be submitted by June 1<sup>st</sup>, 2023

# Common Mistakes

## Costs and Commitment

- Documentation of Leverage Funds
  - Locality contribution must be documented by resolution

## Project Specific Evaluation, Readiness, Capacity, & Impact

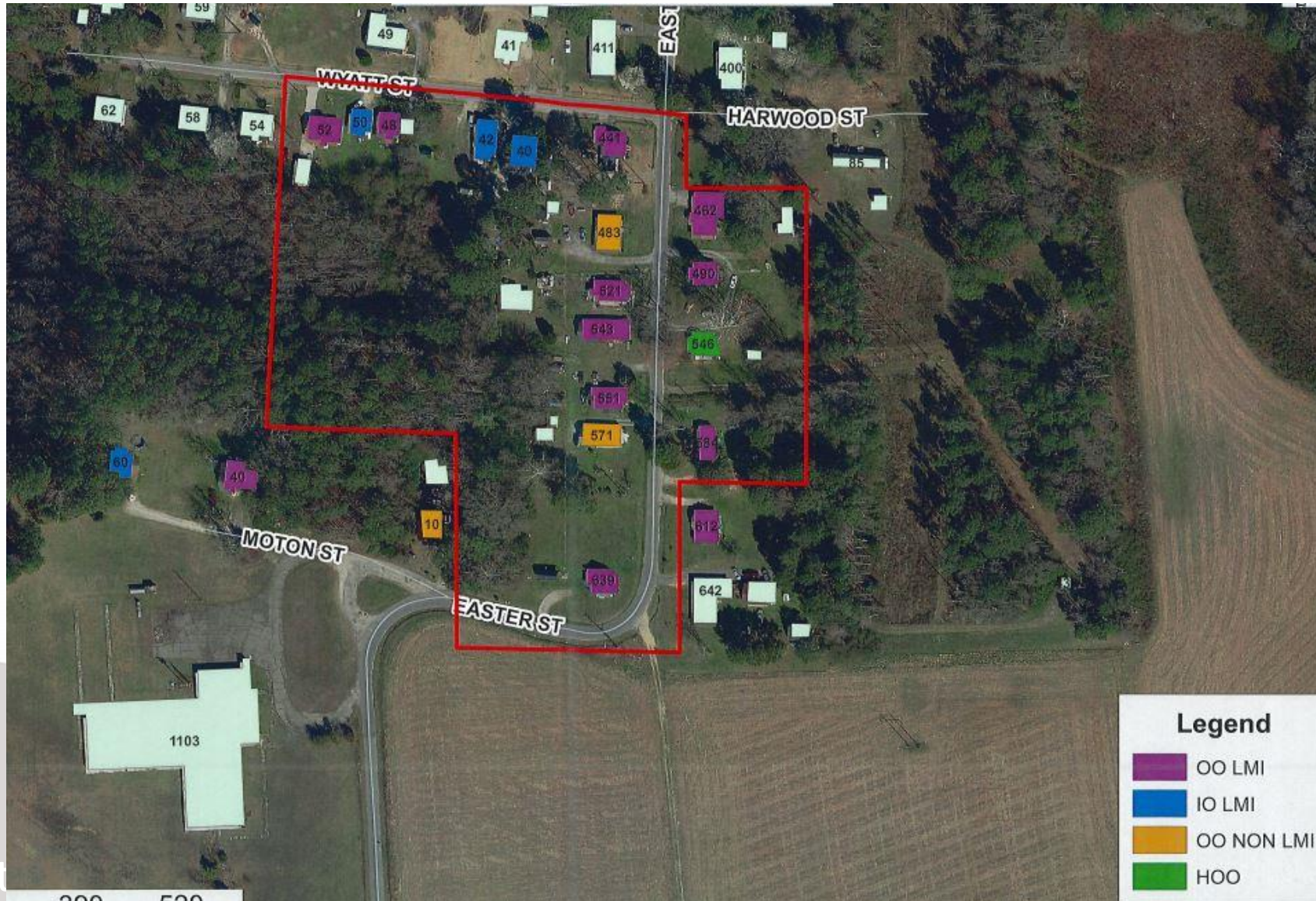
- Participation agreements, easement identification/acquisition, environmental review, and procurement are obstacles to project readiness

## Project Needs & Outcomes

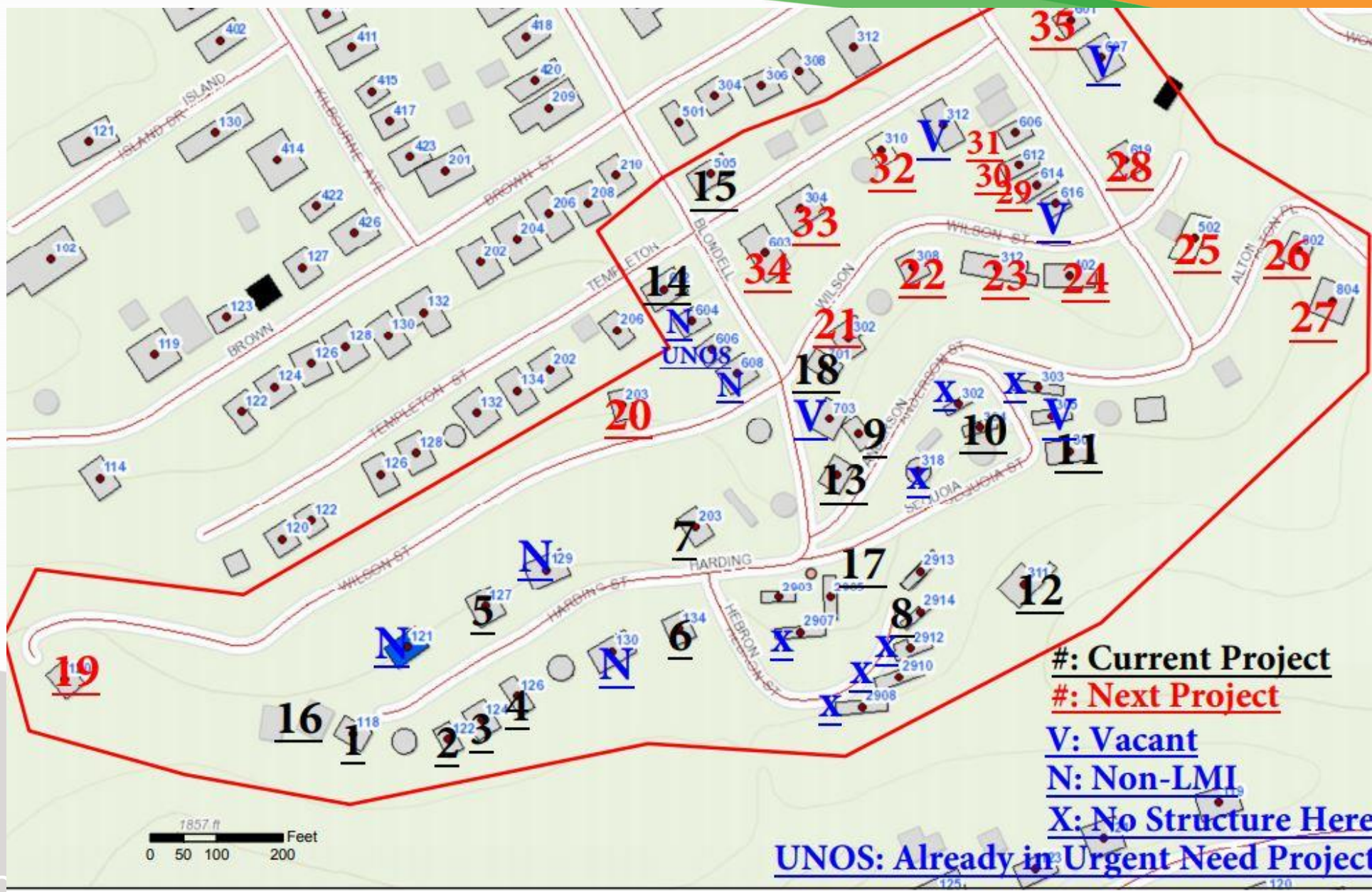
- Mapping Deficiencies-Project areas not clearly depicted
- Project does not have a clear connection to other plans or studies



# Common Mistakes







# Mapping Example

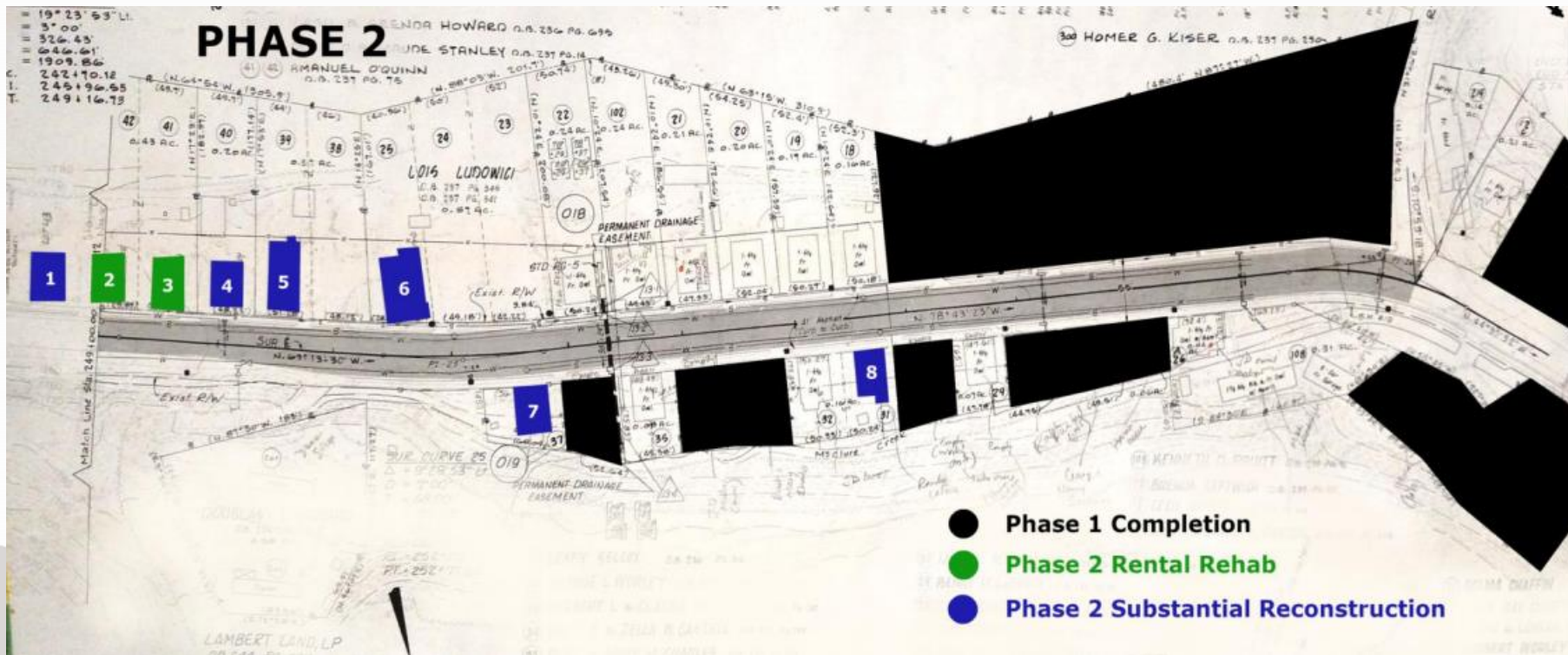




## Revitalization Project

(Numbers Refer to Attached Building Inventory)

# Mapping for Multi-Phase Projects



# Physical Inventory



16	YES	145	Main Street	Affordable New & Used Go	Robert L. Walston III	C-4	3,616	0
17	YES	149	Main Street	Amisha's Fashions / Celia V	Amisha's Fashions	C-3	2,875	0
18		156	Main Street	Vacant	Cynthia Tyndle	C-3	5,481	5,481
19	YES	178	Main Street	Vacant	James & Diane Poates	C-3	1,605	1,500
20	YES	180	Main Street	Vacant	James & Diane Poates	C-3	1,605	1,605
21	YES	190	Main Street	James & Diane Poates	James & Diane Poates	C-3	1,605	1,605
22		195	Main Street	Amerigas	Susan Revere	C-3	1,605	0
23	YES	196A	Main Street	Hair Salon	James & Diane Poates	C-3	1,605	0
24	YES	196B	Main Street	James & Diane Poates	James & Diane Poates	C-3	1,605	0
25	YES	206	Main Street	Napier Construction (back)	Dorothy B. Delano	C-3	6,000	3,000
26	YES	5801	Richmond Road	The Saddlery	Gregory Packett	C-4	750	750
27	YES	5805	Richmond Road	Vacant	Gregory Packett	C-4	1,799	1,799
28	YES	5811	Richmond Road	School of Dance	Gregory Packett	C-4	1,799	0
29	YES	5839	Richmond Road	Northern Neck State Bank	Northern Neck State Bank	C-3	11,127	0

C-1

The structure and all components are new and feature no obvious physical depreciation.

C-2

The structure features limited physical depreciation, normal wear and tear, and has been adequately maintained.

C-3

The structure exhibits some deferred maintenance and requires small to moderate repairs and improvements.

C-4

The structure features obvious deferred maintenance and is in need of significant repairs. The functional utility of the structure is somewhat diminished due to condition.

C-5

The structure has substantial damage or deferred maintenance with deficiencies that are severe enough to affect the overall functionality of the structure. Substantial improvements are needed.



# Cost and Commitments

# Costs and Commitment

## Leverage

CDBG Request: **\$1,000,000.00**

### Funding Source

### Committed?

Federal (ARC)	<u><b>\$700,000.00</b></u>	Yes <b>No</b> Have applied
Federal (DOE formerly DMME <u>AML</u> )	<u><b>\$3,111, 435.00</b></u>	Yes <b>No</b> have applied, no funding commitment letter
State (SW W/WW)	<u><b>\$ 150,000.00</b></u>	Yes <b>No</b> need GA approval
State (CWDF)	<u><b>\$200,000.00</b></u>	Yes <b>No</b> will apply
Private (Thompson Foundation)	<u><b>\$200,000.00</b></u>	Yes <b>No</b> will apply
<b>\$4,361,435.00</b>		

Non-CDBG Funds Committed: \$0 (Non-CDBG) / \$5,361,435 (Total) = 0%

OPC team Ranking compared to other applications (up to 25 points available): 0

Local Funds versus Total Project Cost: \$0 (Local) / \$5,361,435 (Total) = 0%

OPC team Ranking compared to other applications (up to 25 points available): 0

List the Committed Funding Sources:

Source	Amount Committed	Documentation
	\$0	

Applicant received 15 out of 75 points in Costs and Commitments

# HR Tips

- *Documentation is needed to verify LMI persons served!*

Choose one:

☐ **Census/HUD Data** (only applicable to applicants claiming at least 51% LMI area benefit)

Area Population (Individuals): \_\_\_\_\_

LMI Pop (Individuals): \_\_\_\_\_

% LMI: \_\_\_\_\_

☐ **Survey**

Date(s) of Survey or Timeframe of Surveys Conducted: \_\_\_\_\_

Total Households in Project Area: \_\_\_\_\_

Total Households Surveyed: \_\_\_\_\_

# Persons Represented by Surveys: \_\_\_\_\_

# LMI Persons: \_\_\_\_\_

% LMI Persons: \_\_\_\_\_

☐ **Required Survey Info was provided**

$$\frac{85}{\text{LMI Persons}} \div \frac{157}{\text{Total Persons}} = \frac{54}{\text{LMI Benefit}} \%$$

The applicant received 5 out of 30 available points based on meeting an LMI benefit of 54%

# Other Application Tips

- Submit any supporting documentation of **community needs** and how the project will address them
  - Comprehensive plan
  - Community Assessment (you can use a Planning Grant for this!)
  - Community Economic Development Strategy
  - Regional Plans (consult your PDC)
- All roles on grant **management team** should be filled at time of application
- Provide documentation that the project is **construction-ready** by January 2024
  - PER/cost estimates, Environmental Review Record, zoning, construction plans, etc.

# Example – Project Timeline

## 7. COMPREHENSIVE TIMELINE:

TASK	PERSON SOLELY RESPONSIBLE	PERSON(S) PROVIDING SUPPORT	SCHEDULED COMPLETION DATE	REVISED COMPLETION DATE	ACTUAL COMPLETION DATE
<b>90-Day Pre-Contract Activities (Assuming Contract is Dated December 20, 2022)</b>					
<i>Environmental Review</i>					
Determine the Category of your project	[REDACTED]	[REDACTED]	-	-	1/24/22
Archive Search and Mail Dept. of Historic Resources Info.	[REDACTED]	[REDACTED]	-	-	3/16/22
Mail Resource Letters, including to any required tribes	[REDACTED]	[REDACTED]	-	-	3/16/22
Sign any Programmatic Agreement or MOU with DHR	NA	NA	11/29/22		
Date of Publication for Early Public Notice (only necessary if Engineer determines the project will impact wetlands or floodplains)	NA	NA	NA	NA	NA
Date of Public Hearing (only necessary if Engineer determines the project will impact wetlands or floodplains)	NA	NA	NA	NA	NA
Mail Coastal Zone documentation (if applicable)	NA	NA	NA	NA	NA
Date of Publication of Notice of Explanation and Combined FONSI / NOI-RROF	[REDACTED]	[REDACTED]	11/1/22	-	
Mail Combined Notice to EPA, DEQ & DHCD	[REDACTED]	[REDACTED]	11/18/22	-	
Date Comment Period Ends	NA	NA	11/18/22	-	
Submit Request for Release of Funds and Certification	[REDACTED]	[REDACTED]	11/19/22	-	
Date State Objection Period Ends (at this point, a request for prior authorization of construction funds can be made)	NA	NA	12/6/22	-	
<i>Procurement of Rehab Specialist</i>					
Prepare RFP and Scoring Sheet	[REDACTED]	[REDACTED]	-	-	11/1/21
RFP Ad Published	[REDACTED]	[REDACTED]	-	-	11/10/21
Proposals Due	[REDACTED]	[REDACTED]	-	-	12/1/21

# Application Submission Requirements

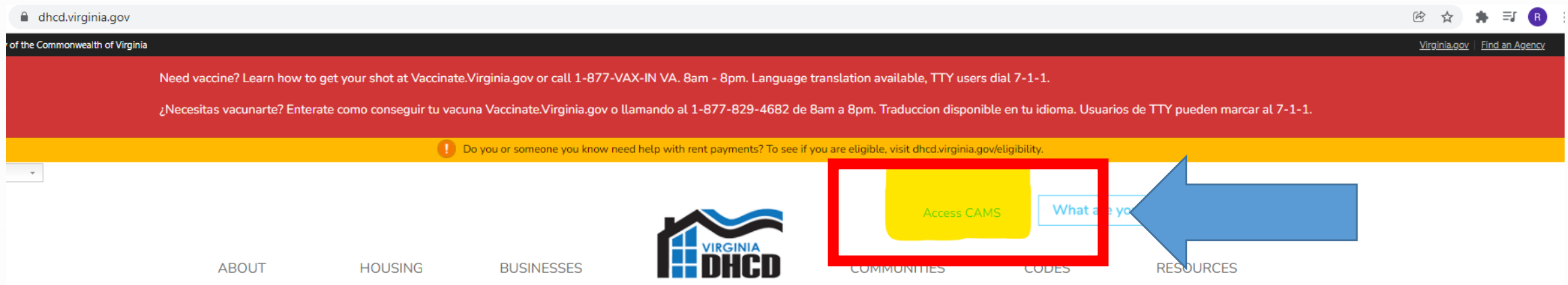
- Submit to DHCD by 11:59 pm on June 1<sup>st</sup>, 2023
- Must submit all application materials in CAMS
- Must provide ALL required attachments



# CAMS Submission

- Create a Profile now.
- Locality must submit.
- Do not share your password / login.
- Assign staff to roles for assistance as needed.
- Internet Explorer or Chrome are the recommended browsers.
- Save often. Use Save this Tab before moving to another section
- **CAMS User Guide (includes explanation of CAMS roles):**  
**<https://dmz1.dhcd.virginia.gov/camsportal/StaticFiles/UserGuides/UserGuideTableofContents.pdf>**

# [www.DHCD.VIRGINIA.GOV](http://www.DHCD.VIRGINIA.GOV)



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