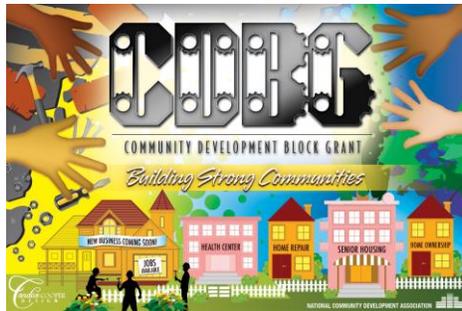


Guide
to the
Community Development
Block Grant (CDBG)
Entitlement Program

January 2022



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INTRODUCTION TO CDBG

PURPOSE OF GUIDE

The purpose of this guide is to assist applicants to design projects that meet the federal requirements and local priorities of the Town of Colonie Community Development Block Grant (CDBG) Entitlement program. Topics include:

- Eligible applicants for CDBG funds
- Description of eligible activities
- Description of ineligible activities
- Meeting a national objective in the CDBG program
- Other CDBG and local regulations of importance in designing eligible projects

GOAL OF THE PROGRAM

The Community Development Block Grant program was created by passage of the Housing and Community Development Act of 1974. It combined into a single grant a number of previous grant programs administered by the US Department of Housing and Urban Development (HUD) including Urban Renewal, Model Cities, Open Space, and Water and Sewer. The block grant allows a more flexible approach to Community Development.

The goal of the CDBG program is to develop viable urban communities through:

- housing
- expansion of community services
- neighborhood revitalization
- economic development
- elimination of slums and blight

As a participant in the “Entitlement” branch of the CDBG program, the Town of Colonie receives an annual allocation of federal funds based on a formula that takes into consideration total population, population change, age and condition of housing stock, and poverty. The direction, focus, and design of the community development program are determined by the local community within guidelines provided by CDBG regulations. The CDBG program is administered locally by the Town of Colonie Community Development Department in the Memorial Town Hall.

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LOW- AND MODERATE-INCOME BENEFIT

The primary objective of the CDBG program is to benefit persons of low and moderate income.

By regulation, the Town must allocate at least 70 percent of its annual CDBG funding on activities that benefit persons of low- and moderate-income households and neighborhoods.

“Low and moderate income” is a specific financial description referring to income guidelines determined by HUD. These income guidelines take into consideration total household size and the annual income for all persons in the household. Current income guidelines for use in the development of programs can be found below:

MAXIMUM ANNUAL HOUSEHOLD INCOME

Household Size	Low Income	Moderate Income
1 person	\$ 33,500	\$ 53,550
2 persons	38,250	61,200
3 persons	43,050	68,850
4 persons	47,800	76,500
5 persons	51,650	82,650
6 persons	55,450	88,750
7 persons	59,300	94,900
8 or more persons	63,100	101,000

CDBG REGULATIONS

It must be stressed that this guide is not the actual regulations. The regulations can be found in the Code of Federal Regulations at 24 CFR Part 570.

Throughout this guide, citations are provided so that the actual regulations may be consulted for more information.

Citation [570.201(b)] means:

- Part 570 of the CDBG Regulations
- Section 201
- Paragraph b

DEVELOPING ELIGIBLE PROJECTS

Entitlement funding eligibility is a THREE-STEP process:

1. The applicant must be eligible
2. The activity must meet a national objective
3. The activity must be eligible

The rules for determining the eligibility of projects are located in Federal CDBG regulations at 24 CFR Part 570. This section of the guide explains the steps to determine if a project is eligible for CDBG funds.

STEP 1: ELIGIBLE APPLICANT

Applicants for CDBG funds must be eligible to administer the project or program. Eligible project administrators include:

- Community Development staff
- Town of Colonie Departments
- Other public agencies
- Private non-profit organizations

Although private citizens may propose a community development activity, only the four specified groups may administer CDBG funded activities. Private individuals or businesses may be the recipients of CDBG funds through an eligible project administrator in cases such as loans to homeowners for property rehabilitation and loans to businesses for working capital. [570.200(f)]

STEP 2: MEETS A NATIONAL OBJECTIVE

All proposed activities must meet and document compliance with one of three “national objectives” to be eligible for funding.

Title 1 of the Housing and Community Development Act of 1974 establishes, as its primary objective, the development of viable communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for persons of low and moderate income.

ACTIVITIES BENEFITING PERSONS OF LOW- AND MODERATE-INCOME

▪ LOW- AND MODERATE-INCOME AREA

An “area benefit” activity must benefit all the residents of a primarily residential area in which at least 43.05% of the residents are persons of low and moderate income.

Examples:

- Renovation to a neighborhood facility
- New sidewalks

Documentation to determine low/moderate income area eligibility includes:

- Boundaries of the service area and the basis for determining those boundaries, and
- The percentage of L/M income persons in the service area and the data used for determining that percentage

▪ ACTIVITIES BENEFITING A LIMITED CLIENTELE OF LOW- AND MODERATE-INCOME

A “limited clientele” activity is one that provides benefits to a specific group of persons, at least 51 percent of whom are low or moderate income, in the following manner.

Exclusively benefit a clientele presumed by HUD to be principally of low- and moderate-income. The following groups are currently presumed by HUD to be made up principally of low/moderate income persons:

- Abused children
- Battered spouses
- Elderly persons
- Adults meeting the Bureau of the Census’ Population Report’s definition of “severely disabled:
- Homeless person
- Illiterate adults
- Persons living with AIDS
- Migrant farm workers

Require information on family size and income so that it is evident that at least 51 percent of the clientele are person whose family income does not exceed the low/moderate income limit.

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Be of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be low/moderate income persons.

Be an activity that serves to remove material architectural barriers to the mobility or accessibility of elderly person or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," provided it is restricted to the removal of such barriers by assisting:

- the reconstruction of a public facility that does not qualify under the low/moderate income area benefit criteria;
- the rehabilitation of privately-owned nonresidential building that does not qualify under the low/moderate income area benefit criteria or the low/moderate income jobs criteria;
- the rehabilitation of the common areas of a residential structure that contains more than one dwelling unit and that does not qualify under the low/moderate income criteria.

Be a microenterprise assistance activity carried out in accordance with the provision of 570.201(o) with respect to those owners of microenterprises assisted under the activity during each program year who are low- and moderate-income persons.

An activity designed to provide job training and placement and/or other employment support services, in which the percentage of low- and moderate-income persons assisted is less than 51 percent may qualify in the following limited circumstances:

- in such cases where training or provision of supportive services assists businesses, the only use of CDBG assistance for the project is to provide the job training; and
 - the proportion of the total cost of the project borne by CDBG funds is no greater than the proportion of the total number of persons assisted who are low- or moderate-income.
- **LOW- AND MODERATE-INCOME HOUSING**

An activity may meet this "housing" objective if it assists in the acquisition, construction, or improvement of permanent residential structures providing that persons of low and moderate income occupy that housing. The housing may be either owner-occupied or rental units in either one family or multi-family structures.

Rental units occupied by low- and moderate-income households must be occupied at affordable rents. Rental buildings under common ownership and management and located on the same or contiguous properties may be considered a single structure.

▪ **LOW- AND MODERATE-INCOME JOBS**

An activity may meet this objective if it assists in the creation or retention of jobs where at least 51 percent of the jobholders are persons of low and moderate income.

Under retaining jobs, there must be clear and objective evidence that permanent jobs will be lost without the CDBG assistance. HUD considers evidence to be notices to affected employees, public statements by the business, or relevant financial records.

ACTIVITIES TO ADDRESS SLUM/BLIGHT CONDITIONS

▪ **DESIGNATED SLUM/BLIGHT AREA**

An activity may meet this objective if it assists in the elimination of physical decay in a "designated" slum/blight area.

NOTE: The Town of Colonie currently does not have a designated slum/blight area so applications for funding may not use this category for fulfilling national objective.

▪ **SLUM/BLIGHT SPOT BASIS**

An activity may meet this objective if it assists in the elimination of physical decay on a "spot basis" located outside of a designated slum/blight area.

Documentation is required identifying the specific condition of blight or physical decay to be addressed and details of the scope of the CDBG assisted rehabilitation.

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At least 70 percent of a grantee’s annual entitlement grant must assist persons of low and moderate income. An activity qualifying under this national objective category does not necessarily assist person of low and moderate income.

ACTIVITIES THAT MEET AN URGENT COMMUNITY DEVELOPMENT NEED

▪ URGENT NEED

An activity may meet this objective if it assists to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community.

The Town of Colonie must certify that existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs. The emergency must be of recent origin or recently became urgent (18 months is a “safe harbor”). Evidence is necessary to show that other financial resources were not available.

The Town of Colonie currently has not certified any immediately threatening conditions in the community so applications for funding may not use this category for fulfilling a national objective.

NOTE: Since no area in the Town of Colonie has met the criteria for slums or blight nor have any urgent community development needs been identified, 100 percent of the funds must benefit low- and moderate-income persons. [570.208]

STEP 3: ELIGIBLE ACTIVITIES

Activities funded by the Entitlement program must be eligible under CDBG regulations. The specifically eligible activities are described in this guide.

In addition, the activity must not be specifically ineligible under other CDBG regulations. For example, rehabilitation of buildings is generally an eligible activity; however, Federal regulations specifically exclude the rehabilitation of office buildings for the general conduct of government.

ACQUISITION OF REAL PROPERTY

CDBG funds may be provided to non-profit organizations and governmental agencies to acquire real property by purchase, long term lease (at least 15 years), donation, or otherwise for any public purpose except for the general conduct of government or political activity. [570.201(a)]

DISPOSITION OF REAL PROPERTY

CDBG funds may be provided to dispose of real property through sale, lease, donation, or otherwise, acquired with Community Development Block Grant funds, provided that the proceeds from any such disposition shall be program income. [570.201(b)]

PUBLIC FACILITIES AND IMPROVEMENTS

CDBG funds may be provided to public agencies and private non-profits for acquisition, construction, reconstruction, rehabilitation, or installation of public facilities and improvements provided such facilities meet a national objective. Public facilities and improvements include but are not limited to:

- fire protection facilities/equipment
- community, senior, and health centers*
- water and sewer facilities*
- flood and drainage improvements*
- parking, streets, curbs, gutters, and sidewalks*
- parks and playgrounds

Facilities designed for use in providing shelter for persons having special needs are considered public facilities and are not subject to the prohibition against new housing construction. Included are:

- hospitals
- nursing homes
- convalescent homes
- battered spouse shelters
- shelters for the homeless
- halfway houses for drug offenders or parolees
- halfway houses for runaway children
- group homes for mentally retarded persons
- temporary housing for disaster victims

Public facilities may be owned by private non-profit organizations but such facilities must be open for use

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by the general public during all normal hours of operation. If a facility contains both eligible and ineligible uses, consult the regulations for special criteria on the eligible portion of the facility. [570.200(b)(1)] Reasonable fees may be charged for use of facilities but charges which preclude low- and moderate-income person participation are not permitted.

Government buildings (or portions of government buildings) may be considered public facilities when they are used to provide services to the public other than the general conduct of government. [570.201(c)]

PRIVATELY-OWNED UTILITIES

CDBG funds may be provided to public agencies and non-profit organizations for acquisition, construction, reconstruction, rehabilitation, or installation of the distribution lines and facilities of privately-owned utilities. [570.201(l)]

CLEARANCE ACTIVITIES

CDBG funds may be used for clearance, demolition, removal of buildings and improvements, and movement of structures to other sites. Demolition of HUD-assisted housing units may be undertaken only with the prior approval of HUD. [570.201(d)]

PUBLIC SERVICES

CDBG funds may be used to provide public services. Public services include but are not limited to:

- job training*
- public safety services
- child care*
- health care
- drug abuse counseling and treatment
- education programs
- fair housing activities
- services for senior citizens*
- energy conservation counseling and testing
- services for homeless persons*
- recreation programs

The amount of the CDBG funds used for public services shall not exceed 15 percent of each grant. To be eligible for CDBG assistance, a public service must

be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the Town. [570.201(e)]

INTERIM ASSISTANCE

CDBG funds may be used for projects which are a prelude to permanent improvements to a deteriorating area when there are determinable signs of physical deterioration and where immediate action is necessary to arrest the deterioration. Permanent improvements must then be carried out as soon as practicable. Eligible activities include repair of streets, sidewalks, public buildings, parks and playgrounds and publicly-owned utilities, special trash collection, and neighborhood cleanup campaigns.

CDBG funds may be used to alleviate emergency conditions that threaten public health and safety when designated an emergency by the Town of Colonie. Eligible activities include repair of streets, sidewalks, public buildings, and publicly-owned utilities, special trash collection and neighborhood cleanup campaigns, snow removal, and improvements to properties. These activities may not go beyond what is necessary to alleviate the emergency condition. [570.201(f)]

RELOCATION

CDBG may be used for relocation payments and assistance to displaced individuals, families, businesses, non-profit organizations, and farms.

Relocation assistance is required if the displacement is caused by CDBG funded activities. Relocation assistance is optional when displacement is caused by factors other than CDBG funded activities. [570.201(i)]

LOSS OF RENTAL INCOME

CDBG funds may be used to pay housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG assisted activities. [570.201(j)]

REMOVAL OF ARCHITECTURAL BARRIERS

CDBG funds may be used to remove material and architectural barriers which restrict the mobility and

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accessibility of elderly and handicapped persons to publicly or privately-owned buildings, facilities and improvements, provided such barrier removal meets a national objective of the CDBG program.

Architectural barrier removal includes:

- installation of ramps
- curb cuts
- wider doorways
- elevators
- physical modifications to buildings, facilities and improvements to make them accessible [570.202(b)(11)]

CDBG funds may be used to remove architectural barriers from buildings that are used for the general conduct of government.

Removal of architectural barriers does not include purchasing or leasing motor vehicles for the handicapped or assistance to promote mobility of handicapped persons but these activities may qualify as a public service.

HOUSING REHABILITATION*

CDBG funds may be used to rehabilitate publicly or privately-owned residential properties. This includes the conversion of non-residential property for housing.

Housing rehabilitation does not include creation of secondary housing units, installation of luxury items such as swimming pools, cost of equipment, furnishings, or other personal property not an integral structural fixture such as air conditioners or washer and dryers, or labor costs for homeowners to rehabilitate their own properties. Stoves and refrigerators are an allowable expense when necessary as part of a housing rehabilitation activity. [570.202]

NEW HOUSING CONSTRUCTION

CDBG funds may be used to finance or subsidize the construction of new permanent residential structures under very limited circumstances provided a national objective is met. [570.207(b)(3)]

CODE ENFORCEMENT

CDBG funds may be used for code enforcement in deteriorating or deteriorated areas where such enforcement, together with public improvements, rehabilitation, and services may be expected to arrest the decline of the area.

Code enforcement does not include inspections for the purpose of processing applications for rehabilitation assistance. [570.202(c)]

HISTORIC PRESERVATION

CDBG funds may be used to rehabilitate, preserve, and restore historic properties, provided such activities meet a national object of the CDBG program. The historic properties may be publicly or privately owned.

Historic properties are those sites or structures that are listed in, or eligible to be listed in, the National Register of Historic Places or listed in a state or local inventory of historic places, or designated as a state or local landmark or historic district by appropriate law or ordinance.

Historic preservation does not include buildings for the general conduct of government. [570.202(d)]

COMMERCIAL OR INDUSTRIAL REHABILITATION

CDBG funds may be used for the rehabilitation of a commercial or industrial building owned by a public agency, non-profit organization, or private for-profit business provided such rehabilitation meets a national objective. [570.202]

SPECIAL ECONOMIC DEVELOPMENT ACTIVITIES

CDBG funds may be used for certain economic development activities carried out by public agencies, non-profit organizations, and private for-profit businesses, provided such activities meet a national objective of the CDBG program. Eligible activities under “Special Economic Development” should be distinguished from the much broader concept of “economic development” in general. [570.203(b)]

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“SPECIAL SUBRECIPIENT” ACTIVITIES

Under very limited circumstances, the following “special subrecipients” are allowed to carry out otherwise ineligible activities:

- neighborhood based non-profit organizations
- small business investment companies
- local development corporations [570.204]

PLANNING AND CAPACITY BUILDING

CDBG funds may be used for studies, plans, data gathering, and identification of actions that will implement plans. Types of activities include but are not limited to:

- comprehensive plans
- project plans
- community development plans
- environmental studies
- historic preservation studies
- activities to improve the capacity to plan and manage CDBG funded activities

Planning and capacity building activities do not include engineering, architectural, and design costs related to a specific activity or other costs of implementing plans. [570.205]

CDBG PROGRAM ADMINISTRATION

CDBG funds may be used for the administration, coordination, monitoring, and evaluation of the CDBG program which includes citizen participation activities, fair housing activities, applications for federal funds, expenses to facilitate housing, and administrative costs in the Rental Rehabilitation and HODAG programs.

Fair Housing activities are eligible under both program administration and public services.

There is a 20 percent combined “cap” on expenditures for Planning and Administration. [570.206]

OTHER ELIGIBLE ACTIVITIES

The following activities are also eligible. They are not considered to be separate eligibility categories because the activities are also eligible under other categories:

- payment of non-federal share (matching funds) [570.201(g)]
- urban renewal plan completion (pre-1974 plans) [570.201(h)]
- renovation of closed school buildings [570.202(e)]

INELIGIBLE ACTIVITIES

BUILDINGS FOR THE GENERAL CONDUCT OF GOVERNMENT

CDBG expenditures are generally not allowed on buildings that house government offices. [570.207(a)(1)]

GENERAL GOVERNMENT EXPENDITURES

CDBG funds are not allowed for the general functions of government. Government departments, however, are allowed to carry out eligible projects. [570.207(a)(2)]

POLITICAL ACTIVITIES

CDBG funds may not be used for political purposes or to engage in partisan political activities such as candidate forums, voter transportation, or voter registration drives. [570.207(a)(3)]

PURCHASE OF EQUIPMENT

Equipment purchase is generally not eligible except for construction equipment as part of a solid waste facility, fire protection equipment as part of a public facility improvement project, or equipment necessary for a public service project. [570.207(b)(1)]

FURNISHINGS AND PERSONAL PROPERTY

Furnishings are generally not eligible except when such items are necessary as part of a public service project. [570.207(b)(1)(iii)]

OPERATING AND MAINTENANCE

CDBG funds are generally not eligible for operating and maintenance except when such expenditures are part of a public service project. Examples of ineligible operating and maintenance expenditures include maintenance and repair of streets, parks, playgrounds,

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water and sewer facilities, public parking facilities, pot hole filling, fixing cracks in sidewalks, mowing recreation areas, and replacing street light bulbs, and salaries of staff and utility costs to operate a public facility. [570.207(b)(2)]

INCOME PAYMENTS

CDBG funds are generally not eligible for income payments for income maintenance, housing allowances, payment of rent, mortgage, or downpayments. See “Special Subrecipients” for a limited exception to this general rule. [570.207(b)(4)]

RELIGIOUS PROHIBITION

Certain restrictions apply to use of CDBG funds on buildings or programs administered by religious organizations and institutions. CDBG funds may not be used for the acquisition, construction, rehabilitation, historic preservation, or removal of architectural barriers in a structure to be used for religious purposes or which will promote religious interests. [570.200(j)] However, funds may be used to rehabilitate buildings owned by religious entities for non-religious purposes under limited circumstances.

FINANCIAL MANAGEMENT

UNIFORM ADMINISTRATIVE STANDARDS

Financial management of CDBG funds is governed by the following documents depending on the type of organization administering the CDBG funds. Procedures cover in these regulations include but are not limited to procurements, audits, access to records, termination clauses, bonding, and property management standards:

- Government: “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments” (24 CFR Part 85 “The Common Rule” certain sections listed in CDBG regulation 570.502)
- Non-Profits: “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” (2 CFR

215, certain attachments listed in CDBG regulations 570.502)

ALLOWABLE COSTS

CDBG expenditures must conform to the requirements of the Office of Management and Budget (OMB) circulars that specify that costs must be:

- Allowable: under CDBG and 2 CFR 200 and 2 CFR 215 regulations
- Reasonable: compared to market prices and other indicators
- Allocable: must be attributable to the project or activity

Cost principles can be found in the following documents depending on the type of organization administering the CDBG funds.

- Government: “Cost Principles Applicable to Grants and Contracts with State and Local Governments” (OMB Circular A-87)
- Non-Profits: “Cost Principles for Non-Profit Organizations” (2 CFR 200 Subpart E)

AUDITS

An independent annual audit is required for all non-profit and governmental subrecipients of CDBG funds. Subrecipients that receive over \$25,000 per year from any federal source including CDBG are required to have an audit conducted. Government subrecipients must have an audit done as part of an overall government audit on an annual basis. A waiver of the audit can be requested for non-profit subrecipients receiving under \$25,000 per year from CDBG funds and where the total from all federal sources of funds received by the subrecipient is also under \$25,000. Audit regulations for both government and non-profit subrecipients can be found in the following document: “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (2 CFR 200 Subpart F).

PROCUREMENTS

Federal procurement procedures must be followed when federal funds are used for the purchase of supplies, equipment, services, and construction work. Awards must be made only to responsible contractors

and sufficient records must be maintained to support the rationale for the selected method of procurement, the selection of the contractor and the basis for the contract price. All procurements are to be conducted to allow for full and open competition.

Procurement regulations require that affirmative action steps be taken in every procurement to contract with minority (MBE), women (WBE) and small business firms. There are four (4) methods of procurement allowed:

- Small Purchase: under \$25,000, requires adequate number of informal price quotes (“rule of thumb” – at least 3 quotes)
- Sealed Bids: formal advertising and public opening of bids, preferred method for construction projects
- Competitive Proposals: formal request for proposals, technical, and price evaluation of proposals
- Non-Competitive Proposal: only allowed when other methods are not feasible, includes sole source contracts and emergencies

Procurement regulations can be found in the following documents depending on the type of organization administering the CDBG funds:

- Government: 24 CFR Part 85.36
- Non-Profits: 2 CFR 215

LABOR STANDARDS

DAVIS-BACON WAGES AND RELATED REGULATIONS

Davis-Bacon and related federal laws require payment of prevailing wages to laborers and mechanics on contracts and subcontracts exceeding \$2,000 for the performance of construction work financed in whole or in part with federal funds. This applies to projects even if CDBG funds are only part of the total cost. It can raise the cost of a project by as much as 20-30% and should be considered in determining the cost of the project.

The current prevailing wage rates must be determined prior to the start of construction. Contract Hours and

Safety Standards regulations also apply to laborers and mechanics on construction projects. Exceptions to Davis-Bacon include:

- purchase of equipment, machinery and fixtures
- labor for installation of equipment, machinery and fixtures which is incidental to the construction (i.e. labor to set up playground equipment)
- rehabilitation of residential property under 8 units
- certain cost associated with a construction project including legal, accounting, architectural, engineering, construction management and real property acquisition if CDBG is used solely for these excepted costs under separate contract from the construction

In some cases, Davis-Bacon wages would apply to the entire project in addition to the CDBG funded contract. Contact the Community Development Department for a determination whether Davis-Bacon would apply to the project and to which costs. A wage determination must be obtained from HUD for use in determining wages for the project. After award, the contractor must attend a preconstruction meeting with the Community Development Department, submit weekly payrolls, and be subject to job site inspections.

FEDERAL EQUAL OPPORTUNITY (EEO) AND MINORITY BUSINESS ENTERPRISE (MBE)

All projects funded in whole or in part by CDBG funds are governed by Executive Order 11246 (as amended) which prohibits discrimination in employment on all federally assisted contracts on the basis of race, color, religion, sex or national origin.

Procurement regulations require that affirmative action steps be taken in every procurement to contract with minority (MBE), women (WBE) and small business firms.

EMPLOYMENT OF LOW-INCOME PERSONS

Contractors on all CDBG funded projects in excess of \$200,000 and subcontractors whose portion is in excess of \$100,000 are required by Section 3 of the Housing and Urban Development Act of 1968 to provide employment and training opportunities to low- and moderate-income persons to the greatest extent feasible.

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OTHER REQUIREMENTS

NON-DISCRIMINATION IN CDBG BENEFITS

No person shall be excluded from participation, denied benefits, or treated differentially on the basis of race, color, gender, national origin, or sexual orientation in any program funded in whole or in part with CDBG funds.

FAIR HOUSING

The Fair Housing Act prohibits discrimination in the sale, rental, or financing of housing on the basis of race, color, religion, gender, sexual orientation, national origin, handicap, or family status. The Town of Colonie is required to affirmatively further fair housing opportunities in the Town and villages as a condition of receiving CDBG funds.

CONFLICT OF INTEREST

No employee, agent, consultant, officer, elected or appointed official of the Town or funding subrecipient who exercises any functions or responsibilities with respect to CDBG activities, or is in a position to participate in the decision-making process, or gains inside information with regard to such activities may obtain a financial interest or benefit from a CDBG activity, or have a financial interest in any contract with respect to CDBG activity or its proceeds either for themselves or those with whom they have family or business ties during their tenure and for one year after employment. [570.611]

LOBBYING

CDBG subrecipients are required to certify that no federal funds were or will be used to lobby federal employees, members of Congress, employees of Congress, or employees of members of Congress in conjunction with the award of federal funds or contracts. If other than federal funds are used to influence the persons previously named for funds, a lobbying disclosure form is required.

ANTI-DISPLACEMENT AND REPLACEMENT OF LOST HOUSING UNITS

CDBG funds are subject to the Uniform Relocation Assistance and Real Property Acquisition Act which requires relocation payments and assistance when there is displacement of individuals, families, businesses, non-profit organizations, and farms due to CDBG funded activities.

If there is a loss of low- and moderate-income housing units due to a CDBG funded activity, there may be a one-for-one replacement required.

Consult the regulation at 570.606 for further information if the project will potentially involve either displacement or the loss of housing units.

PUBLIC ACCESS TO RECORDS

Citizens may have reasonable access to records regarding the use of CDBG funds as long as the access meets local and State laws regarding privacy and confidentiality. [570.508] Several CDBG documents are made public each year including the following:

- proposed CDBG projects and CDBG budget
- environmental review notice
- amendments to the action plan (as necessary)
- consolidated annual performance evaluation report
- five-year consolidated plan
- yearly entitlement action plan

DRUG FREE WORKPLACE

The Town of Colonie certifies to HUD that it will prohibit the unlawful manufacture, distribution, dispersing, possession, or use of a controlled substance in the workplace including the workplace of subrecipients of CDBG funds. Subrecipients must certify that they have developed and will implement a drug-free workplace policy.

DIRECT BENEFICIARY DATA

Data is required to be collected on the racial, ethnic, and female head of household status for each direct beneficiary of the CDBG funds. This includes all projects with direct beneficiaries including housing

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rehabilitation, job creation and retention, public services, and facilities which serve a limited clientele.

HANDICAPPED ACCESS

CDBG funds are subject to Section 504 of the Rehabilitation Act of 1973 (amended 1986) which says that no otherwise qualified individual with handicaps shall solely by reason of his/her handicap be excluded from, denied benefits, or subjected to discrimination in any program receiving federal funds.

New construction of housing and non-housing facilities must be designed and constructed to be accessible and usable by individuals with handicaps.

The applicability of the handicapped access regulations to the alteration of existing housing depends on the number of units and the scope of the project. Projects with one to four units are exempt from the handicapped accessibility regulation. Alterations to existing housing over five units are subject to the accessibility regulations. Accessibility requirements differ on the basis of number of units and project cost.

Alterations to existing non-housing facilities must include making them accessible to the maximum extent feasible. Recipients are not required to make alterations which impose an undue financial and administrative burden. Alterations to physical modifications to existing facilities to make services and facilities accessible include assigning aides to beneficiaries, relocating services to accessible facilities, and conducting home visits to provide program services.

EVALUATION CRITERIA

In addition to the above-mentioned requirements, as a minimum, all projects will be evaluated on specific criteria (if applicable), including:

- magnitude of benefit to persons of low- and moderate-income;
- overall impact in addressing community needs as identified in the Town's Consolidated Plan;
- consistency with local policies, plans, and goals as identified in the Town's Consolidated Plan;

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- feasibility;
- timeliness;
- need for multi-year funding;
- clarity and completeness of the proposal.

Depending upon the type of projects, further consideration will be given to projects that:

- have contained site control at the time of application
- have identified total project funding at the time of submission;
- have exhausted all other funding resources and are pursuing CDBG funding as a last resort;
- have secured funds that leverage CDBG funds;
- are conducted within the Town's entitlement area.

The agency submitting the proposal will be evaluated by its experience in operating similar projects/programs, and its ability to expend funds expeditiously and in accordance with HUD regulations.

These are the minimum evaluation criteria. Applications for funding will be evaluated by the Community Development Citizen Advisory Committee and the Town Board within the framework of these policies and goals.

FOR FURTHER INFORMATION

For information on how to apply for CDBG funds or for assistance in developing a proposal, contact:

Town of Colonie
Community Development Department
Memorial Town Hall
534 New Loudon Road
Latham, New York 12110
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EQUAL HOUSING
OPPORTUNITY

The Town of Colonie does not discriminate on the basis of age, race, color, gender, religion, handicap, sexual orientation, familial status or national origin in employment or the provision of services.