



PY2020 Application Guidelines

City Council Adopted December 4, 2017

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Introduction

Welcome to the City of St. Cloud annual Community Development Block Grant (CDBG) application process. This document is intended to provide you with general information regarding the upcoming CDBG program year and helpful tips to guide you through the application process.

The CDBG Program is administered by the Department of Housing and Urban Development (HUD) and is authorized by Title I of the Housing and Community Development Act of 1974, as amended. The purpose of the CDBG Program is to benefit low to moderate-income households by developing communities through: 1) decent housing; 2) suitable living environments; and 3) expanded economic opportunities. To meet these, HUD provides a "block" of funds to local communities that may be spent on eligible activities.

The City of St. Cloud has been an entitlement community since the 1970's. The City must comply with federal regulations requiring the preparation of a Five-Year Consolidated Plan (Con Plan), an Annual Action Plan and a Consolidated Annual Performance and Evaluation Report (CAPER). In order to successfully meet the goals of the CDBG program, it is necessary to solicit input from the citizens participating in and/or impacted by the use of CDBG funds. There are several public meetings and public hearings held throughout the annual process and you as well as your clients are encouraged to participate. Participation is encouraged in all phases of the CDBG program; however, the final responsibility and authority for allocating CDBG funds rest with the St. Cloud City Council.

Part I: General Information

The following information provides guidance on the general guidelines of CDBG including eligibility and important dates.

Eligible Program Applicants

Eligible applicants include:

- non-profit 501(c)(3) organizations;
- City of St. Cloud departments;
- St. Cloud Housing & Redevelopment Authority; and
- for-profit business, under certain eligible activities.

Eligible Projects

All CDBG funded activities must be eligible under the Housing and Community Development Act of 1974 and must meet one of the three **National Objectives**:

- benefiting low and moderate income (LMI) persons;
- eliminating slum and blight; and/or
- meeting urgent need.

HUD separates lower-income households into three categories: very low-income, low-income, and moderate-income. The **Area Median Income Limits**, which are determined by HUD, are set annually for St. Cloud. The table below shows the current household limits for St. Cloud determining eligibility for CDBG projects.

FAMILY SIZE	2019 HUD Income Categories (Median Household Income for St. Cloud is \$76,300)			
	Extremely Low (< 30% of median income)	Very Low (31% - 50% of median income)	Low (51% - 80% of median income)	Non-LMI (> 80% of median income)
1	< \$16,050	\$16,050 - \$26,750	\$26,750 - \$42,750	> \$42,750
2	< \$18,350	\$18,350 - \$30,550	\$30,550 - \$48,850	> \$48,850
3	< \$21,330	\$21,330 - \$34,350	\$34,350 - \$54,950	> \$54,950
4	< \$25,750	\$25,750 - \$38,150	\$38,150 - \$61,050	> \$61,050
5	< \$30,170	\$30,170 - \$41,250	\$41,250 - \$65,950	> \$69,950
6	< \$34,590	\$34,590 - \$44,300	\$44,300 - \$70,850	> \$70,850
7	< \$39,010	\$39,010 - \$47,350	\$47,350 - \$75,750	> \$75,750
8	< \$43,430	\$43,430 - \$50,400	\$50,400 - \$80,600	> \$80,600

The City of St. Cloud prepares a **Five-Year Consolidated Plan** to address the City's housing and community development and public service needs and performance, in compliance with the HUD. Program Year 2020 is the first program year of the updated 2020-2025 Consolidated Plan. Upon adoption in March, 2020, it will serve as the planning guide over the next five years. As such, priority consideration and funding is given to applicants in the following goal areas:

- Neighborhoods;
- Public Infrastructure;
- Jobs;
- Public Services;
- Community Facilities; and
- Fair Housing.

Eligible activities include the following:

- Acquisition, disposition, and demolition of real property for a public purpose;
- Rehabilitation of residential and non-residential structures;
- Homeownership assistance;
- Public facilities and improvements;
- Public services;
- Economic development; and
- Planning and administration.

Ineligible activities include the following:

- Acquisition of furnishings, moveable equipment, machinery, and land write-downs;
- Operating and general maintenance expenses;
- Buildings or portions of buildings use for the general conduct of government;
- New housing construction;
- Any form of direct grant assistance to a business or industry (for-profit entity); and
- Income payments – series of subsistence-type payments.

Important Dates in Program Year 2020

The Program Year 2020 runs from July 1, 2020 to June 30, 2021

- **January 3, 2020:** Pre-Application Deadline
- **January 17, 2020:** Final Application Deadline
- **Mid-February:** HUD Announcement of PY20 Entitlement City Allocation Amount
- **February 11, 2020:** Planning Commission's Public Hearing
- **March 9, 2020:** City Council's Public Hearing
- **July 1, 2020:** CDBG Program Year 2020 Begins
 - Funding may be available, pending congressional release of funds. No drawdowns will be permitted until the release of funds is accomplished and notification by HUD.
- **August/September 2020:** Subrecipient and Mayor Review and Finalize Subrecipient Agreement
- **September, December, March & June:** Quarterly Reports Due
- **December & April:** On-Site Monitoring Visits
- **June 30, 2021:** CDBG Program Year 2020 Ends

Part II: Application Process

The following section provides guidance on the application process detailing the pre-application and the final application.

Pre-Application

A pre-application must be downloaded through the City's CDBG website at <http://www.ci.stcloud.mn.us/cdbg> and submitted via email to carla.berry@ci.stcloud.mn.us by the pre-application deadline.

Deadline: A pre-application must be submitted by 4:00 p.m. on January 3, 2020.

Pre-Application Meeting: You will be required to contact City of St. Cloud CDBG staff at (320) 255-7218 to schedule a pre-application meeting by January 3, 2020. The pre-application meeting provides an opportunity for City staff to meet stakeholders, determine if your proposed activity is eligible for CDBG funds, and answer any questions related to preparation/submittal of your final CDBG application.

A pre-application must be submitted before scheduling a pre-application meeting.

Final-Application

Your final application must be downloaded through the City's CDBG website at <http://www.ci.stcloud.mn.us/cdbg> and submitted via email to carla.berry@ci.stcloud.mn.us by the final application deadline.

Deadline: Final applications must be completed and submitted via email by 4:00 p.m. on January 17, 2020. **Late applications will not be accepted.**

The required documentation is required for submission:

- Completed PY2020 Application; and
- Documentation from organization's governing body stating authorization to submit.

Application Review Criteria

The St. Cloud CDBG Program is a competitive program. Evaluation of applications is based upon the following:

- Meets one of the three "National Objectives"
- Meets eligibility requirements
- Fulfill goals in the Five-Year Consolidated Plan
- Fills a demonstrated need
- Has a realistic budget
- Can be completed within the required time frame (finished by June 30, 2021)
- Produces measureable outcomes
- Follows appropriate professional standards
- Your organization's demonstrated capacity to complete your project
- Funding match

Part III: General Award Information and Requirements

This section describes generally some of the critical federal granting rules and regulations. CDBG applicants must consider the impact of these when planning a CDBG project. Note that this is not a complete list of all applicable laws and regulations as it relates to federal granting programs.

Awarding of Funds

After your activity is awarded funds by the City Council, City of St. Cloud staff will notify you in writing. This **Letter of Award Confirmation** will state that no costs may be incurred by your organization until you have received written confirmation to do so.

Subrecipient Agreement

After a CDBG activity is approved and your organization accepts grant terms, your authorized representatives must sign a Subrecipient Agreement outlining the terms and conditions of the CDBG funds. The agreement sets forth the Subrecipient's respective responsibilities in completing a successful activity through the CDBG program in accordance with all federal, state and local laws. A key point to consider early in the application process is if your organization can comply with federal requirements regarding quantifying demographic data of persons receiving services from your organization. This takes the shape of Client Information Forms and Quarterly Reports.

Client Information Forms and Quarterly Reports

Your activity must demonstrate client eligibility; therefore, is required to submit quarterly reports stating number of persons served, household composition and income, as well as family/ethnic information. Information provided is considered private data as defined by the MN Government Data Practices Act and is strictly confidential.

On-Site Monitoring Visits

The City of St. Cloud will conduct a minimum of two on-site visits during the program year.

Finally, the Subrecipient Agreement will require that your activity be completed by June 30, 2021.

Procurement and Contracting

All procurements funded in whole or part with CDBG funds must comply with the applicable federal requirements found in 2CFR Part 200 which is also referred to as the "Super" or "Omni Circular". There are a number of requirements for using Federal funds to purchase materials, products or services under the CDBG program. The requirements governing the purchasing process is designed to ensure that your organization:

- Follows a **free and open competitive process** in securing products and services.
- Properly **document** purchasing activities and decisions.
- Observe special rules for **particular kinds of purchases** (competitive sealed bids, competitive proposals, and sole source procurements).
- **Properly bond and insure** work involving large construction contracts and/or subcontracts.

- Use **local businesses** and contact with **small, minority, and/or women-owned businesses** to maximum extent feasible.

Subrecipients must select from one of four methods of procurement based on the type of products and/or services being procured and their cost: Small Purchase Procedures, Competitive Sealed Bids, Competitive Negotiation, or Non-Competitive Negotiations.

Federal Labor Standards (Davis-Bacon)

Construction work that is financed in whole or in part with CDBG funds must adhere to certain Federal labor standards requirements. For example, construction work over \$2,000 triggers the Davis Bacon Act requiring wage rate decisions, payroll review, and on-site interviews.

These federal labor standards require the payment of U.S. Department of Labor “prevailing wages” (at a minimum) for most construction projects. There are also extensive reporting and project monitoring requirements.

You may contact DeAnna Fah with the City of St. Cloud Finance Department before submitting a CDBG application to ensure compliance with federal granting requirements particularly the opening bids/quotes procedures.

DeAnna Fah, Assistant Finance Director
(320) 650-3351 - deanna.fah@ci.stcloud.mn.us

Environmental Review

There are many federal and state environmental protection laws and regulations to consider when planning and implementing CDBG funded projects. It is important to note that compliance is often required for all funding sources, public and private, and for all components of the entire project. By planning at the application and predevelopment stages, CDBG recipients can avoid future compliance complications and time delays.

All CDBG projects will undergo an Environmental Review Worksheet completed by City of St. Cloud staff prior to initiation of project. Applicant must take certain consideration to the timing of the worksheet and to ensure the project does not start prior to completion of the full environmental review.

Lead-based Paint Poisoning in Certain Residential Structures

HUD regulation 24 CFR Part 35 provides for the evaluation and control of lead-based paint hazards in residential housing units built prior to January 1, 1978. Requirements for compliance with this regulation vary, depending on the activity undertaken using federal funds. Every program utilizing federal funds (including CDBG) is required to comply with this regulation for activities including, but not limited to, rehabilitation, homebuyer assistance and down payment assistance.