FY2023 CDBG Applicants' Workshop Neighborhood Revitalization Session





January 18, 2023

Glenn Misner

Look familiar???



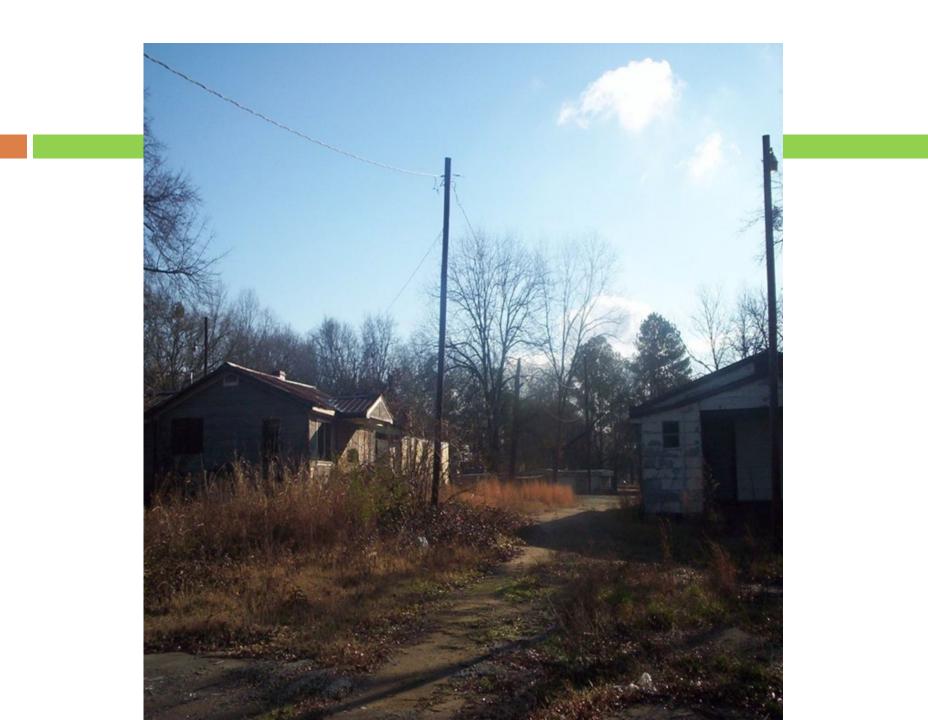




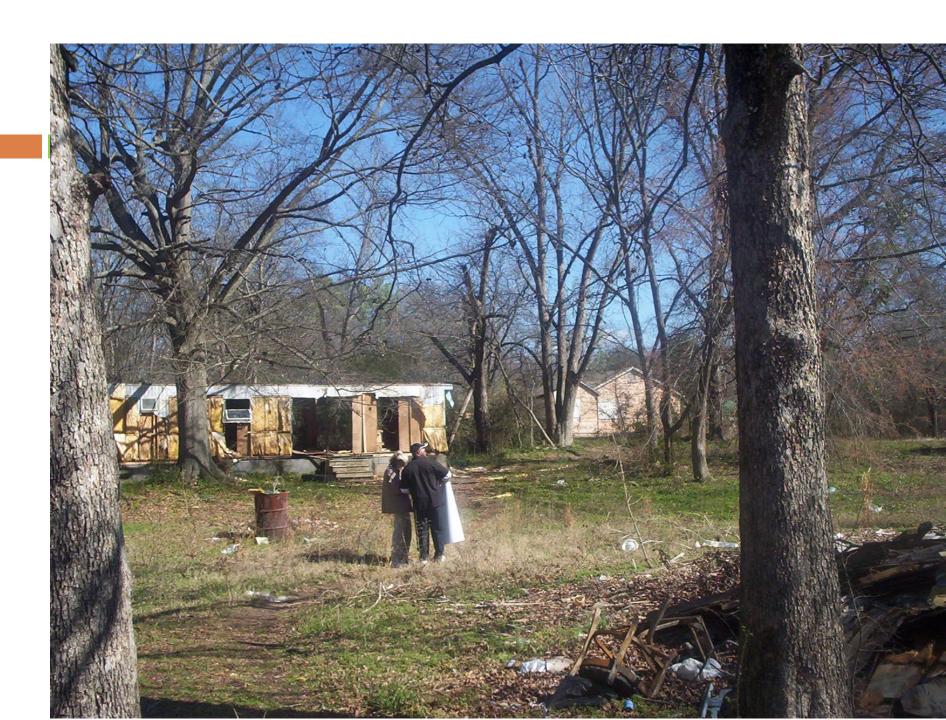


















Funding Limits

Single Activity CDBG (Annual Competition) Employment Incentive Program Redevelopment Fund Program

\$1,000.000

Multi-Activity ------\$1,250,000

Regional Cooperation Projects ------ \$2,000,000

Innovative Projects ------ \$2,000,000

Electronic submission through DCA's GrAAM System Application Due Date:

June 3, 2022

- What's New for 2022?
 - Increased Funding Limits
 - Increased PDC's
 - Modified Score Values
 - DCA 3 replaced with Community Needs
 Assessment
 - Bonus Points for "ROBUST" Citizen Participation
 - Water Sewer Dashboard Rates below 1.0 % (of average MHI) will result in reduced need score (threshold formerly .8%).

What's New continued:

Reminder of changes still in place from past years:

• Change in Eligibility for GICH Communities: DCA will allow an exception to the "every other year" rule for communities that are "Certified Alumni" of the GICH program, as well as communities active in the three-year program.

What's New continued:

- Raised limit of the amount allowable for the rehabilitation of MHU's to \$10,000 (including CDBG funds AND owner/other contributions) for MHU units.
- Financial Plan Form is now a pdf with formulas.

CDBG Neighborhood Revitalization

Types of Grants
Single Activity:
Housing Activities Only
Infrastructure Activities Only
Public Building Only

 Multi-Activity:
 Housing PLUS Infrastructure and/or Building Activities

CDBG Neighborhood Revitalization

Assessing Needs

What are the needs community wide? The required Public Hearing is the opportunity for citizen input

Are there concentrations of substandard housing? Are there Infrastructure needs?

Determine the project area (TARGET AREA)

Addresses Housing Activities
May Include Several Activities

Rehabilitation
Reconstruction
Acquisition
Relocation
Demolition/Clearance

Who May Receive Assistance?

- Individual or Family Home-Owners (Owner Occupants)
- Investor Owners (Rental Units).
- Occupants must meet Low-Moderate Income definition
- Must possess clear Deed to property.
 "Life Estate" agreement is OK
- Properties must be within Applicant Jurisdiction

Eligible Activities:

 <u>Rehabilitation</u> – To repair and/or bring to Code/Program Property Standards existing substandard housing unit.

 <u>Reconstruction</u> – Where unfeasible to Rehab - Demolish and construct new unit on same site – *Owner Occupied ONLY*.

Eligible Activities

Acquisition - of Real Property

 <u>Disposition</u> – Costs Incidental to Disposing of Property Acquired with CDBG Funds

Code Enforcement – but…

Eligible Activities

- <u>Clearance</u> Of Dilapidated Structures, out-buildings, etc.
 - GET OWNER COMMITMENT in writing
- Interim Assistance
- <u>Relocation</u> Temporary or Permanent
 - Temporary Relocation is NOT mandatory for Owner occupied units

<u>Removal of Architectural Barriers</u>

Eligible Activities

Home Buyer Assistance

- Down Payment
- Closing costs
- Principle Reduction Payment
- Interest buy-down

NOTE: DCA policy mandates use of **fixed rate mortgages** on all CDBG funded projects

Multi-Activity – Maximum \$1,250,000

Multi-Activity: "Comprehensive Neighborhood Revitalization"

- Includes Housing AND Public Facilities Activities
- Inter-related Activities
- Same Target Area
- Comprehensive (Meets all/most of the Needs in the Target Area

Application MUST show a reasonable distribution of funds between activities

Revitalization Area Strategy (RAS)

- Officially adopt a local Redevelopment Plan in accordance with the Urban Redevelopment Act O.C.G.A. 36-61
- Eligible area of Census Block Group(s) of 20% or greater poverty level.
- Develop strong local partnerships focusing local resources within the Revitalization Area.
- Submit application for designation to DCA.
- Must be designated by DCA through application

Electronic Submission for NEW and Annual Reports *required*

CDBG - Neighborhood Revitalization Application Review Process

 Each application is read and reviewed by the Housing Panel
 Rank and Score based on:

 Feasibility of Project
 Strategy Proposed
 Impact of Project
 Project Need

- How and why the project was chosen DCA 4
- Property Standards to be used
- Lead Based Paint (LBP) fully addressed
- Outside Funding Sources and Commitments
- Program operational Oversight / Experience
- Maps and Overview
- Selling Your Project
- Costs

- How and why the project was chosen
 - Provide a compelling narrative that describes the process used to choose the project – Including the required Citizen Participation process
 - Use DCA 4 for this discussion
 - DCA required concentration maps AND the Community Needs Assessment should be the basis for this discussion

Minimum Property Standards

- Realistic Local Minimum Property Standards you determine what standards you want in your community.
- Code Violations and Incipient Violations.
- First priority should be given to Health, Safety, and ADA accommodation.

Lead Based Paint (LBP)

- Lead hazard evaluation is *required* on any structure built <u>before</u> 1978.
- Evaluation services must be performed by an inspector/risk assessor licensed and certified by the State of Georgia.
- Lead hazard control work must be performed by certified contractors who have passed the EPA Renovation, Repair and Painting (RRP) rule safe work practice training.

- Lead Based Paint (LBP) Be prepared to seek services outside your local area.
- Demonstrate understanding of LBP regulation requirements.
- Lead hazard control can be costly. Budget 25% of estimated rehab hard cost on ALL budget forms.

- Funding, Partnerships, Other Resources
- Document ownership of EACH unit
- Provide reasonable justification for all costs, and the basis of those costs
- Obtain FIRM, SPECIFIC commitment letters from all partners. INCLUDING HOMEOWNERS
 - Commitments may be conditional on grant award and present income
- Ensure that the commitment letters are issued and signed by <u>authorized</u> individuals
- Pledges of support without firm commitment letters will not be considered.

Funding, Partnerships, Other Resources

 Indicate how each will be applied, at what point will these funds be released
 Contractor pay schedule

•General Property Improvements (GPI) are not funded by CDBG

 Secure firm, convincing documentation of participation from investor-owners

- **Schedules and Time tables**
- •Who will provide project oversight? •What are their credentials?
- Demonstrate <u>capacity</u> to undertake the project.
- Develop and show a schedule of start and completion dates. Indicate milestones and inspection points.

Contracting and Construction

The Application must demonstrate understanding of the Rehab process

- Beneficiary eligibility
- "Work Write-Up" and "Scope of Work".
 - Maximum value rehabilitation!!!!
 - MHU Rehab Limit of \$10,000 including owner match
- Qualifying contractors: establish guidelines and criteria.
- Bidding process and bid acceptance protocol.
- Contract negotiations.
- Change Orders protocol.
- Draw Request and approval process.

Maps and Photos

- DCA Form 12 instructions spells out what is required for Concentration Maps of the ENTIRE COMMUNITY – not just the TA
 - You MUST include the required concentration maps from DCA's website
 - SDS map requirement must be met for HOUSING AND infrastructure projects (MA apps), if applicable

More on Maps under Strategy

Maps and Photos

- DCA Form 12 instructions spells out what is required on TA maps.
 - Map should be in common scale
 - Show details in the Target Area(s): ALL existing structures (unit map #'s), street names, schools, commercial, etc.
 - Photographs must indicate Unit numbers
 - Indicate occupancy status of all structures (e.g. Owner occupied, vacant, investor owner/rental, nontargeted structure, non-residential, etc.)
 - Indicate type of construction (Stickbuilt/modular or MHU)
 - Indicate proposed Activity.

Maps and Photos Indicate condition of all residential structures –THREE CLASSIFICATIONS

Standard
Substandard
Dilapidated

Maps and Photos

Indicate Occupancy • Owner occupied • Renter occupied (Investor owned) • Vacant

Indicate construction type • Stick/Site built or Modular • Manufactured Housing Unit (MHU)

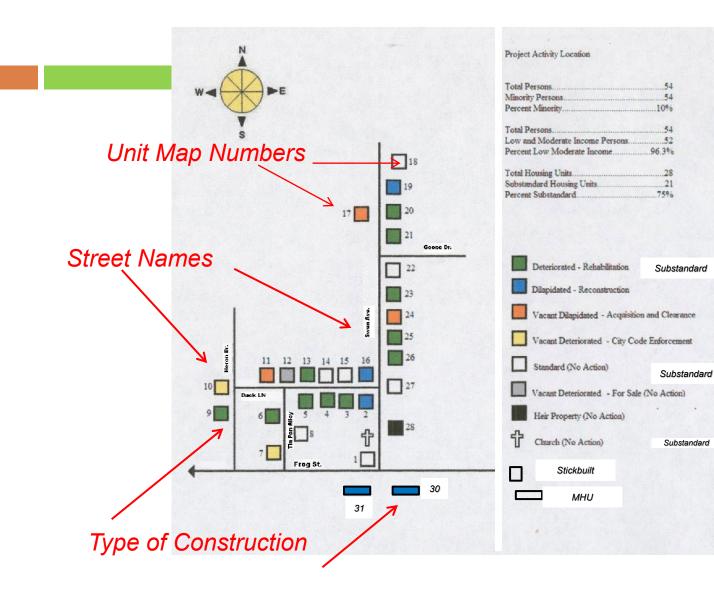
Maps and Photos

Indicate Proposed Activity

No activity – standard or otherwise explained -Unaddressed need will not get full points available

- Rehab
- Reconstruction
- Clearance

• INCLUDE FINANCIAL PLAN FORM (EXHIBIT H)



Maps and Photos (cont.)

- Photographs:
 - Show all 4 elevations
 - Interior and exterior photos should *clearly* represent condition of structure and problems described in narrative
 - Photos should illustrate problems that will be addressed in the scope of work/cost estimate
 - Photos should be captioned describing what the photo is illustrating
 - Be sure to include dilapidated vacant units, usually proposed for acquisition and clearance – if unsafe to enter, be sure to describe conditions in full, and document ownership and owner commitment

Selling it to DCA

- Exactly WHERE the target area(s) is/are located in the community (map).
- Exactly HOW this project was chosen.
 - Describe process for choosing this TA (See mapping Req.)
- Exactly WHAT will this project achieve.
- Exactly WHO will the project impact.
- Exactly HOW you will successfully complete the project.

BE SPECIFIC!

Financing Technique(s) BE SPECIFIC

- Deferred Payment Loans discuss terms
- Leveraged Loans/Interest Buy Downs
- Who are your partners

Include participation formula

 Know your community! Be realistic with participation formula – Get owner commitments in writing

Documented confirmation of proposed resources and partners

- Compliance with Applicable Laws
 - Be Sure to address:
 - Sec 3
 - FHEO AFFH Efforts
 - LEP
 - •URA-

Acquisition/Relocation/Displacement

• NEPA- Historic Preservation (SHPO)

Investor Owner Eligibility

- Financing: 50%, DPL at full term (no forgiveness)
- Rent Regulatory Agreement
- Timetable for proposed accomplishments

- Unit by unit analysis of proposed activity
 - Include per unit cost estimate.
 - A Comprehensive Work Write-up for each unit
 - Include description of proposed work needed with pictures illustrating problems (exterior and interior).
 - Feasibility Test Forms if applicable
 - Complete "Financial Plan" Form (Appendix H)

- Describe and document severity of problems
- Demonstrate needs in Narrative AND with Pictures
- Alternatives to Strategy
 - Especially true for Multi-Activity infrastructure activities
- Discuss other possible strategies and why the proposed strategy is best for problems described. Inclusion of cost of alternative strategies can demonstrate why the chosen strategy is the best.

- Describe what steps the community has, or will take, to prevent reoccurrence of the described needs. <u>Be specific</u>
- Include copies of current ordinances and enforcement policies that govern community blight (e.g., Code Enforcement)
 - Include examples of actions taken and results
- Discuss other detrimental conditions to which the community is exposed and efforts being taken to resolve these issues.

 Discuss the financial commitments that the applicant has, or will make, to support and maintain continued area improvements

 Describe how CDBG funds will augment and support <u>other efforts</u> within the community to improve the "livability" of both the target area, as well as, the community at large. *Impact consideration*

Marketing of Program

- Who has expressed interest in Program?
- How will community interest be generated?
- Are residents supportive of the program?
- Document Commitment from Owner Occupants and Investor Owners!
 - Resident letters
 - Written commitment of participation amounts

Maps

DCA Form 12 instructions spells out what is required on TA maps: In addition to the TA/Housing maps discussed earlier, the required concentration maps from DCA's website MUST be included Request TA if you cannot access the DCA Mapping tools

Need Considerations

- Need for Project
 - <u>Documented</u> severity of need
 - Photos of all problems described
 - Must support the budget for the proposed activity
 - <u>Describe</u> the effect the proposed project will have on the identified needs, as well as the community as a whole
 - DCA 4 should describe the needs of the entire community
 - DCA 4 describes the need for the chosen Target Area as well as the needs the project will address

Need Considerations

Need for Project (Con't.)
Need score based on described and documented need:
Critical Health and safety issues
Moderate Health and safety issues
Low Health and Safety issues

Impact Considerations

Impact Of Project

- DCA 5 should propose a plan to address all needs described in DCA 4
 - If a Phased approach is needed to address all needs, the plan should be a well thought out, reasonable, strategic approach to resolving all the identified needs
 - Plans for future phases should include detailed narrative as well as identification of future phases on maps
- Indicate <u>Number</u> of persons who will benefit.
 Overall CDBG <u>Cost per person</u>.

Impact Considerations

Impact Of Project

- Describe the effect a successful project will have on the Target Area and entire community
- 100% of the described need must be addressed with CDBG funds or with other resources – to gain maximum points
- Other resources/strategies to address needs unmet by CDBG funds must be identified and documented in detail
- Concentration of activity in as small a target area as funding will allow is the ideal, in order to achieve maximum impact in the chosen TA

Successful Strategies

Financial Participation

Owner Participation as Fixed Percentage of Annual Income based on Income Level.

Example:

"Participants whose income is below 30% of AMI are required to pay X% of their annual income".....

"Participants whose income is between 30% and 50% of AMI are required to pay X% of their annual income".....

"Participants whose income is between 50% and 80% of AMI are required to pay X% of their income"

Successful Strategies

- Mandatory Homebuyer Counseling for projects that propose Homebuyer Assistance
- Credit Counseling (must be documented)
- Employment training
- Holistic approach to neighborhood revitalization
 - Address issues and concerns along with housing/infrastructure problems
 - Discuss how identified problems not addressed with CDBG funds will be addressed – document efforts by other partners or the local government

Acquisition must be in compliance with Uniform Relocation Act (URA)

 For Demo/Clearance – identify owners and get commitment in writing to sell/donate structure up front

Easements for Public Facility Improvements

Relocation – Permanent
 Uniform Relocation Act (42 months)
 Owner OR Tenant

104(d) "Barney Frank" (60 Months)
Tenant Only (Rent to Rent)
One for One Replacement

Relocation (con't.)

Identify Available Resources
 Comparable Units

Provide Basis for Relocation
Current vs. available rents rates

New Construction Eligibility

Last Resort

No Available Resources Exist

- Cost exceeds allowable limits:
 - Application must provide credible evidence.
 - Cheaper to build (including land) than purchase.

 Not-for-profit or for-profit developer
 Approved Community-Based Development Organization.

For Target Areas, be sure to:

Provide a Unit by Unit Analysis

- Keyed to Map
- Picture(s) of Units (Exterior and Interior)
- List of Deficiencies for Targeted Units
 - Photos should document all needs described in the WWU

For Target Areas, be sure to:

Provide Target Area Data:
Total Number of Units
Total Number of Substandard units
Total Number of Dilapidated units
Total Number of Owner Occupied
Total Number of Renter Occupied
Total Number of Vacant units

For all units, be sure to:

• Provide Cost Estimates:

 Keep in Mind that Actual work may be 1 or 2 years away....Budget Appropriately

 Provide <u>reasonable</u> estimates for each unit based on complete walk through

Budget for Lead Hazard Control.
(Program will pay all LBP Costs)

For City or County Wide Programs

- Based on the scoring criteria, this type application may struggle to be competitive
- Describe how units were chosen in a fair and equitable manner
- Provide description of overall housing conditions jurisdiction wide – IMPORTANT

Include an overall assessment of need for Housing improvements and justification for the chosen units.

Other Important things to Do

Provide Financial Plan!!!

 In Narrative and on Financial Plan Form Explain formula for Owner Participation Amounts

• The Financial Plan Form (REQUIRED) is a fillable PDF form available for download under "CDBG Applicants' Materials"

This form should not include PDC's or relocation – those are itemized on DCA 8

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					Exhibit h	1					
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This form should not include PDC's or relocation – those are itemized on DCA 8

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4	NOTE:	Lead Hazard Contr	ol should be budgeted	l only for units constructe	d PRIOR to 1978	at 25% of tota	al rehab cost.					

Don't Forget:

Include House by House Analysis:

- Units keyed to map
- Provide pictures (Exterior & Interior)
- Cost Estimate by Unit
- List of Deficiencies
- Feasibility Test Forms (for Reconstruction)

	REHAB FEASIBILITY TEST FO	RIM
RPOSE ck one)		UNITTYPE (check all that apply)
Survey	OWNER NAME	Stick Built
Pre-Inspection	TENANT NAME (If rental)	Mobile Home
During Rehab		Vacant
	PROPERTY ADDRESS	Rental
	STRUCTURAL FEASIBILITY FOR REHA	BILITATION
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Building doe	es not meet any of the above.	
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ANALYSIS OF H	OUSING ACTIVITIES	COST
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Statutory References

Regulations: 24CFR,570,xxx

Uniform Act: 49 CFR, Part 24

Section 104(d) "Barney Frank": 24 CFR, Part 42

Lead-Based Paint: 24 CFR, Part 35

Last Resort: 49 CFR, Part 24.404

e-CFR Website

http://ecfr.gpoaccess.gov/



DISCUSS PROPOSED PROJECT WITH DCA STAFF

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Questions?

Georgia® Department of Affairs