General Comments on the FFY 2019/SFY 2020 Method of Distribution:

1. Page 1 - Please clarify the sentence "At least 70 percent of CDBG funds allocated to local governments will be used for activities that primarily benefit low- and moderate-income persons." Does this mean DCA's funding of ALL programs must be at the 70% level- what about EIP- 51%? Or is this an overall statement about DCA's CDBG program?

   DCA's Response: Below is the statutory requirement that at least 70 percent of CDBG program funds benefit low to moderate income persons.

   24 CFR Part 570.484 - Overall benefit to low and moderate income persons.
   (a) General. The State must certify that, in the aggregate, not less than 70 percent of the CDBG funds received by the state during a period specified by the state, not to exceed three years, will be used for activities that benefit persons of low and moderate income.

2. Page 2 - We disagree with the RAS Incentive bonus points. We know this is not new, but we are stating what we have stated before, this hurts the small cities and counties that don't have the ability to have an Urban Redevelopment Plan and RAS Area. There are just some things that our poorest communities will not be able to take on and sustain. Their community priority is maintaining to the best of their ability. CDBG is a program to help our struggling communities and the low-to-moderate income persons who live in them. We suggest reducing the amount of points a community can receive for the RAS incentives.

   DCA Response: The Revitalization Area Strategies designation rewards communities who implement comprehensive redevelopment activities for targeted areas in their city or county. Any community in Georgia may adopt an Urban Redevelopment Plan (URP) under Georgia law (DCA has no role in the approval process for this plan). DCA disagrees that smaller cities and counties don't have the ability to adopt such a plan. DCA has seen communities whose population is just over 300 adopt and implement a URP. RAS designation provides incentives, including bonus points for the Annual CDBG Competition, in order to provide incentive for communities to undertake comprehensive revitalization using CDBG as one of an array of tools to improve and sustain their community.

3. Page 4- Compliance Criteria - Will the Innovative Grant Program have a 70% LMI requirement? It is not listed as one where this provision does not apply (first paragraph under "Eligible Activities"). We suggest relaxing the LMI benefit on the Innovative Grant Program to add more flexibility.

   DCA Response: The 2018 Innovative Grant Program is a set-aside program. Projects meeting any one of the three National Objectives are eligible. The intended beneficiaries should align with traditional CDBG projects: at least 70% low-to-moderate income beneficiaries, 51% low-to-moderate income beneficiaries for economic development projects, and 100% low-to-moderate income beneficiaries for direct housing projects.

4. Under "Annual Competition Restrictions" - Section D - should this include the Innovative Grant Program? It is not listed.

   DCA Response: The 2018 Innovative Grant Program has been added to the "Annual Competition Restrictions" section as noted.

5. Shouldn't Item D list the Innovative Grant Program as not being applicable to Item C?

DCA Response: The 2018 Innovative Grant Program has been added to the "Annual Competition Restrictions" section as noted.

6. Page 5 -first paragraph. Under what "purpose" can a community consecutively apply for CDBG funds when they are a PlanFirst Community? Are Rural Zone Designees eligible to apply every year for funding and if so, for what "purpose"?

   DCA Response: A county or city government that has a current "PlanFirst" designation at the time of application, and throughout the review process, is exempt from the Annual Competition Restrictions. A Rural Zone designation does not exempt a unit of general local government (UGLG), from the Annual Competition Restrictions. PlanFirst cities may apply for any eligible CDBG-activity.

7. Page 5 - last paragraph. It states that DCA "may" request corrections … Should we assume these types of administrative corrections would not cause the application to be rejected?

   DCA Response: Administrative deficiencies, in which the UGLG is able to correct within a prescribed amount of time, will not cause the application to be automatically rejected.

8. Page 6 - Local Government Audit Act - in keeping with the MOD providing sufficient information and DCA's goal to ensure fairness with the application process, it should be detailed by DCA how noncompliance is determined regarding the Audit and that CDBG funds are considered "state funds" so that local government auditors are aware of this. The cover memorandum of the Non-Compliant Audit list specifically states, "Please note that O.C.G.A. §36-81-7 refers to "any state grant funds" (emphasis added). This provision to suspend state grants does not apply to grants made or transmitted by state agencies to local governments that are not considered state grants. For example, federal grant awards that state agencies pass through to local governments should not be withheld from noncompliant governments, even if the grant has state matching requirements. Based on DCA's use of the audit list, are we to assume that CDBG funds are considered "state funds"? Also, the actual published list states this "The inclusion or exclusion of a particular government on the above list does not constitute proof of eligibility status under O.C.G.A. §36-81-7."

   DCA Response: Recipients of CDBG funds under the State's Non-entitlement program are not direct beneficiaries of federally funded awards. DCA has the authority to implement rules and regulations for each of its programs. As such, we treat all dollars administered through the agency as state funds subject to state laws. Compliance with the Local Government Audit Act is key to demonstrating solid local governance and the administration of local funding. Therefore, DCA works diligently with the Department of Audit and Accounts to ensure the information is accurate prior to removing a local government from the competition for non-compliance.

   If DCA is going to use this list as a determination for the threshold, the deadline in the Applicant's Manual needs to match the date of the DOA's list. Last year's list was dated three days after DCA's deadline. Communities who were eligible on August 3rd, as of the latest list, were not eligible on August 6th when the DOA list was provided and DCA used it to "zero" out applications who were on the list. We know now to check with the DOA by direct contact and not use the list as our source. This should be stressed that the Applicant's Workshop.

   DCA Response: The memo released from the Department of Audits and Accounts was prepared on August 3rd as stated in their memo and released after signature on August 6th. DCA's deadline was August 3rd and verified the list with the DOAA on August 3rd.

9. Page 6- Bonus Points for Return of Revolving Loan Funds (RLF). Ensuring fairness.... not all communities have or will have RLF funds. Receiving 5 points for sending loan proceeds back that a community is not using does not seem fair. Maybe give these local governments 5 points on their next EIP, RDF or Innovative Application, just not CDBG.

   DCA Response: Providing bonus points for the return of an RLF is designed to be an incentive whereby DCA can recapture funding for future use on other CDBG projects. In the 2018 round, 1 of 105 applicants returned RLF funds, which did not result in an award. Cities not in compliance also run a liability of not being eligible for CDBG funds for future rounds.

10. Page 7- CDBG Program Strategy

Comments Regarding Criterion

a. Criterion 1 - Hasn't a community already done an analysis of their community needs in their Comprehensive Plan? What level of analysis is DCA requiring to receive the full 10 points? It seems like a throwback to the old DCA 3 Community Assessment of Needs which DCA decided was not useful several years ago. This seems like the staff review could be subjective. What constitutes 5 pts and 10 pts?

   DCA Response: Form DCA – 3 will be a required part of the 2019 Annual Competition. The purpose of this form is to detail the rationale for choosing the intended target area. This portion of the application should demonstrate consistency with locally adopted plans. A community-wide needs assessment has always been required as well a discussion the selection of the target area.

b. Criterion 2 - Discussion of the alternate Target Areas. In a community like Camak, there is one target area left- there are none to consider. So Camak would automatically get the 15 points (of course, we would state that this is the only target area left) or a zero?

   DCA Response: Zero points are not automatically assigned to applications which are unable to identify alternate target areas if the discussion is presented in a manner indicating limited choices, using sound logic, and in accordance with locally adopted plans.

c. Criterion 4- an analysis of the alternatives- is this different from what is required now or does DCA want more detailed information? Are costs for each alternative required?

   DCA Response: An analysis of alternatives, including costs, demonstrates how the proposed activities are a planned component of the applicant's overall strategy to improve the target area/community. This requirement was included in the 2018 Annual Competition and continues to be a part of the 2019 Annual Competition.

d. Criterion 5 - DCA must give some consideration to the fact that some CDBG projects are the most pressing need in the community and not the next project on the locally adopted plan. We already have to amend most comprehensive plans to include projects because the plan preparers are not including potential, basic projects. When DCA holds to such a "planned" strategy for CDBG projects, it undermines the flexibility of the program and imposes the notion that only projects "in the plan" must be considered for funding.

   DCA Response: Proposed activities should be a component of a local plan and not necessarily the comprehensive plan. The Department is not trying to prioritize a local community's needs; however, we want to understand how the project was chosen.

e. Criterion 6- providing "an analysis of the steps taken by the applicant to adopt practices ... "seems to be another area where a small community could lose points. If the review staff does not take in to consideration that a small community will not have the capacity to have ordinances, programs and policies like a larger

community will, we see the potential for the unfairness in the review process. How does DCA make sure its staff is aware that some communities do not have and will not have these things in place and not give a lower score? "Preventing the reoccurrence" suggests the community did or didn't so something to create a necessity for CDBG funding.

__DCA Response:__ As a measure to protect investments, UGLG's must be able to plan and describe planned local efforts to care for and maintain CDBG funded projects for future use.

f. Page 8 - if the Target Area is not in a concentrated area as per the concentration maps, will the application lose points? Also, will the scale for the topo map be included in the applicant's manual? Define "structures" that must be identified on the maps? Have our maps met these requirements?

__DCA Response:__ If the Target Area is not included in an area of concentration, it will not automatically lose points. However, you must justify why the Target Area was chosen rather than an area of concentration. All maps must include a scale, a north arrow and a legend; however, DCA does not define the specific measurements to be used in the scale. Reference page 77 of the 2019 Applicants' Manual for additional details on mapping requirements.

11. CDBG Program Feasibility
   a. Page 8/9- Please define "complete" engineering and architectural reports and how 40 points will be factored.

__DCA Response:__ Preliminary planning and engineering reports generally include, but are not limited to, the following:

__Executive Summary__
- *Brief description of Project Area needs, Conclusions and Recommendations*
Introduction
- *Purpose and Scope (project objectives and methodology of evaluation)*
- *Authorization*
- *Previous Studies*
__Background__
- *Target Area description*
- *Plans and photos of Target Area*
- *Population density*
- *Population projections (if available)*
- *Narrative describing existing conditions including description of needs to be addressed*
- *Map of existing conditions, particularly of existing conditions to be addressed with CDBG funds, including pipe sizes and other relevant measures of existing infrastructure*
__Evaluation of Alternatives__
- *Descriptions of alternatives considered, including cost estimates of each alternative (capital, operation and maintenance & user fees)*
- *Street and road projects should include the advantages and disadvantages of alternative typical sections (curb and gutter versus shoulder and ditch section)*
- *Assessment of impacts on Target Area residents & property owners (land, right-of-way and easement acquisition requirements)*
__Description of Proposed Project__
- *Identification of applicable federal, state and local design standards*

- *Drainage projects should include site specific preliminary hydrologic and hydraulic calculations for each drainage shed*
- *Drainage projects should include a description of project outfall(s) and consideration of downstream impacts*
- *Required Permits*
- *Operation and maintenance requirements, responsible party (Grantee, GaDOT, other) and operation and maintenance capability (available staff, equipment and expertise)*
- *Narrative describing the proposed improvements including a description of the impact of the proposed improvements on the quality of life of target area residents*
- *Map of proposed improvements, including pipe sizes and other relevant measures of proposed infrastructure*

Detailed Project Budget
- *Construction and material costs*
- *Design and oversight fees*
- *Grant Administration*
- *Funding sources*
- *Projected Operating Revenues and Expenses (if applicable)*
- *Projected User Fees (if applicable)*

Project Schedule

Contents of Preliminary Architectural Reports
Preliminary Architectural Reports generally take the following format.

Executive Summary
- *Brief description of Project Area needs, Conclusions and Recommendations*

Introduction
- *Purpose and Scope*
- *Authorization*
- *Previous Studies*

Background
- *Project Area conditions including description of needs to be addressed*
- *Description of existing facilities, if any, including existing floor plan with all dimensions and descriptive labels for all rooms.*
- *Projections of future needs*

Evaluation of Alternatives
- *Descriptions of alternative solutions considered (new construction, renovation, additions to existing structures), including cost estimates for each alternative*
- *Site selection criteria*
- *Location relative to population served*
- *Adequacy of infrastructure (access, water, fire protection, sanitary sewer, storm drainage)*
- *Soil conditions, and topographic constraints*
- *Assessment of impacts on existing residents & property owners, if any*

Description of Proposed Project
- *Identification of applicable federal, state and local design standards*
- *Preliminary Site Plan showing proposed ingress – egress, vehicle circulation on-site, drop-off area, parking and accessible parking, service access (dumpster location with truck access, mechanical room*

access), extensions of utilities (water, sanitary, electric, telephone), access road improvements, emergency vehicle access

- *Description of storm drainage outfall(s) and consideration of downstream impacts*
- *Description of proposed/improved facilities, including preliminary floor plan with all dimensions and descriptive labels for all rooms*
- *Required permits*

Detailed Project Budget

- *Construction and material costs*
- *Design and oversight fees*
- *Grant Administration*
- *Funding sources*
- *Projected Operating Revenues and Expenses (if applicable)*

Project Schedule

Inclusion of the aforementioned sections will maximize the applicant's chances of obtaining the total amount of points possible for this criteria.

b. Page 9 - Please define "verified" project costs. Verified by who - does this mean the engineer or architect? Or does this mean by DCA's engineer or architect? Does DCA have an architect that reviews building projects?

DCA Response: Verified project costs are costs that have been substantiated through professional estimation or documentation from a credible source and appear to be reasonable.

c. Page 9 - Water and sewer project will be reviewed based on proven demand for services to be provided? What is DCA looking for in regard to proving the demand?

DCA Response: ***Below is guidance provided in the 2019 Applicants' Manual (page 51):***

- ***Address EPD requirements.***
- ***Address the need for household plumbing improvements.***
- ***Address the feasibility of plumbing improvements.***
- ***Address proper abandonment of wells/septic tanks.***
- ***Address house connections/reconnections.***
- ***Address how house connections/reconnections will be paid for.***

d. Page 9- is the Grand Total LMI Tally Sheet acceptable for DCA 6?

DCA Response: The Grand Total LMI Tally Sheet should be provided in addition to DCA-6.

12. CDBG Program Need

a. Page 10- typo- should be assess- not access. First sentence.

DCA Response: Thank you. We appreciate the feedback and have corrected the error.

b. Question - why are work orders not considered strong documentation of need? Also, the same question applies to comments from residents at the public hearing. Are not the voices of the people who have come to the hearing to make their case not a strong indicator of need? DCA always says that CDBG is all about impacting people and their lives, yet comments at the public hearing, letters and survey comments are at the bottom of need documentation.

DCA Response: Citizens participation is central to the CDBG program and therefore, all applications should include resident letters attesting to the living conditions relevant to the proposed project. This documentation is fundamental to the application.

While work orders may be a formal documentation of need, it does not generally describe all of the work needed. Work orders generally document efforts made by the City, but does not show how the work effects the resident.

c. Page 11- Lowest Level of Need- shouldn't this read "Lowest health and safety issues described and NOT documented"? The first paragraph on page 10 states "Without documentation ... will not receive points."

DCA Response: The lowest level of documentation is assigned if limited or insufficient documentation is provided. The quality of the need documentation is critical in establishing the level of need. Reference page 52 of the 2019 Applicants' Manual for additional information.

13. Bonus Points for RAS Activities
a. Page 12-We still maintain this is not fair to small communities.

DCA Response: Please see DCA response under Item 2

b. Page 14- #2 RAS Map Requirement- is this requirement for a RAS Submittal OR for the actual CDBG application?

DCA Response: The map requirement on page 14 #2 of the Method of Distribution is addressed in the 2019 Revitalization Area Strategy Manual (page 8) and is specifically required for applications for RAS designation.

14. Bonus Points for Readiness to Proceed
a. Page 14/15 - It looks like the only Readiness to Proceed Bonus Point is for a completed environmental review. Please clarify that this means review including DCA clearance. Also, we suggest making the expenditures for this work eligible for leverage above the grant writing cost. Will the date for environmental clearance be the April 1st deadline? If so, we request that DCA make this year have a grace period, like FY 2018. Due to the issues with Federal Procurement, projects have started later, having a complete environmental by April 1st may not be feasible for some applicants.

DCA Response: Readiness to Proceed bonus points may be earned for completing the environmental review process, including a full release of funds by DCA. The deadline for this requirement is July 1, 2019.

15. Are the following no longer eligible for bonus points? If so, why? Acquisition, Design Plans Complete, Design Plans approved by EPD, etc., construction drawings complete

DCA Response: These items are no longer eligible for bonus points. Full design completion and acquisition were rarely fully realized. In providing bonus points for final design, we found very few communities, if any, went this far. More often than not, the determination on whether acquisition is needed is dependent on final design; therefore, we felt this was not equitable to all applicants. We also determined that these actions were not moving projects forward within the 2-year award period.

16. RLF Fund Accounts Closed and Returned to DCA Bonus Point
Page 15 - This is not a fair bonus point. 5 points is big and the vast majority of communities, especially smaller ones, do not have an RLF to give back to DCA. If bonus points are being used to incentivize communities, use the bonus points on RDF, EIP and Innovative grant applications where it will help communities meet the threshold points.

DCA Response: *See response to number 9*

17. CDBG Grant Funds- Matching Requirements
The matching requirements should be better explained. Recently we had a debate with a community, regional commission and a DCA staff person regarding how to calculate the match. Examples for the 5% and 10% should be given so that the applicant understands that they must subtract the $300,000 from the total amount of the grant amount to get the amount the percentage is applied to for the match requirement. (ex. $750,000 (grant) - $300,000 = $450,000 x 5% = $22,500 required match).

DCA Response: The revised MOD will include an example for clarification purposes. The first $300,000 of the grant request does not require a cash match.

18. We suggest expenditures to pay for PER, PAR, Grant Writing and NEPA clearance being identified as leverage and that DCA is consistent with these decisions.

DCA Response: DCA does allow the cost for a PER, PAR, and grant writing as eligible costs. These costs can be used as part of leverage as long as cost documentation is provided. Please see pages 53 and 54 of the 2019 Applicants' Manual for further information.

19. Why is PER/PAR leverage amount limited to $5,000? Costs for PER and PARs are usually higher, especially with 40 points in the balance. Communities pay these costs and are not given credit in the application process for costs over $5,000 - this disallowance impacts smaller communities who could pick up points in leverage to offset some of the other areas that they cannot achieve points.

DCA Response: This has been an established allowance of cost for several years. DCA is willing to entertain an increase in the allowance in coming years based on average costs.

20. Page 17- Employment Incentive Program- suggest adding section about "pirating" jobs prohibited with CDBG funds.

DCA Response: The information regarding the prohibition on "pirating" jobs will be included in the upcoming revised Employment Incentive Program Applicants' Manual.

21. Page 20- Individual Activity HUD Standards
Can DCA give an example of the $1,000 per L/M person served for good and services and define what is meant by "goods and services" to clarify this section?

DCA Response: Economic Development projects are subject to the requirements of Public Benefit (24 CFR 570.482 (f)). There are two types of benefits associated with Economic Development Projects; the creation or retention of jobs and the provision of necessary goods and services. For an activity that provides goods or services to residents of an area, the amount of CDBG funds provided for the activity cannot exceed $1,000 per L/M person served. For example, a local government submitting an application to establish a grocery store, in the amount of $500,000, would meet the Public Benefit threshold requirement if more than 500 low-to-moderate persons will be served.

22. Redevelopment Fund
Page 23- Please explain or clarify what is meant by the first full paragraph.

DCA Response: The Redevelopment Fund provides flexible financial assistance to locally initiated public/private partnerships helping local governments implement projects that wouldn't proceed

otherwise. The Redevelopment Fund is used to leverage investments in commercial, downtown and industrial redevelopment and revitalization projects. The Redevelopment Fund primarily focuses on the HUD national objective of "eliminating slums or blight". As a result, many smaller scale projects (in downtown areas, blighted industrial areas, etc.) will be more competitive for Redevelopment Fund financing.

23. Does the RDF program require job creation? The Strategy section does not address this, but it seems DCA puts greater emphasis on this in the review process and then the actual administration. If a project addresses a blighting influence, shouldn't addressing the Slum and Blight National Objective be sufficient for the project and not hold the community's feet to the fire for jobs to be created? If DCA does want jobs, it should be clear, as a criterion, for the application process.

    DCA Response: The RDF finances locally initiated public/ private partnerships to leverage investments in commercial, downtown, industrial redevelopment, and revitalization projects that may not proceed otherwise. The Redevelopment Fund may be combined with other DCA CDBG programs to reduce the economic challenges of redevelopment projects and increase their investment potential. Job creation is an output of leveraging public – private partnerships to address economic challenges of a target area.

24. RLF funds created by RDF funds - The keeping or returning of RDF loan proceeds is not discussed. Can RDF recipients still capture the RDF proceeds and establish and local RLF?

    DCA Response: This information can be found in the CDBG-Redevelopment Fund Program Application Manual in Section 5. Grant Funding, Contract Processing and Activity Limits, under the topic of Special Provisions for RDF Capitalized Local Revolving Loan Funds (RLFs). RDF will be added to the Special Provisions for EIP Capitalized Local Revolving Loan Funds.

25. RDF Factor 3- Strategy- define severity of need for an RDF so that we can ascertain how to analyze the severity of need. Does a dilapidated building in town qualify as a severe need? Is the need more severe if the building is historic?

    DCA Response: A high need is defined as significant health and safety issues and a low need is defined as minimal health and safety issues or amenity issues only. The quality of the need documentation is critical in establishing the level of need.

26. New Innovative Grant Program
Comments/Suggestions
a. Make the Grant Period Longer that 24 months
b. Lower the LMI to 51%
c. This will probably be utilized by the more advanced and "richer" communities especially with a 15% match.
d. We suggest holding a listening session at the workshop for potential "innovative" applicants to see if what they are proposing is in line with what DCA is thinking it wants as projects. The MOD states the "sometimes expensive and time-consuming process of developing a full application". The word "sometimes" should be deleted. It is always time consuming and expensive even for CDBG applications.
e. Comments on the two examples given at the Recipients' Workshop:
The City of Madison has 4-5 full time planning staff. The work done in the Canaan Target Area has taken place over 10-15 years. Pickens County- this may be an easier route for potential Innovative Project s. Pickens County used CDBG funds for a good idea.
f. Innovative Program- Rating and Review Procedure
Why is there no Impact score? If transformation is the goal, it seems like the measure of transformation would be "impact".

DCA Response: Thank you. We will take these comments and suggestions into consideration. The Impact Score is built into the Project Strategy and Innovation Criteria. DCA will also host a webinar to address questions and concerns regarding the Innovative Program.

27. What is the urgency of the Method of Distribution (MOD) changes? DCA has not provided grant administrators with ample time to consider the changes and prepare for the upcoming application cycle.

DCA Response: DCA feels that the revised instructions provide more transparency, and thusly understanding, on application scoring. Generally, the changes are the addition of DCA-3, the calculation of the bonus points, the revised threshold requirements, and the addition of a compliance review team.

28. Is there any way the application period can be extended to April 15, 2019?

DCA Response: All applications must be submitted by April 1, 2019 to be considered for funding.

29. For showing prior planning efforts, how do the following narratives compare in terms of point value?
- Project X was selected as a project identified in the Comprehensive Plan
- Generally, water and sewer deficiencies were identified as a need

DCA Response: Both examples are acceptable, however, the project identified in the Comprehensive Plan would be rated higher.

30. DCA Housing and Minority concentration maps appear to be based on ACS 2006 – 2010 data.

DCA Response: Yes, the data is based on ACS 2006-2010 data. The updated data for 2010-2015 will become available in early 2019 according to HUD.

31. Can you provide an example of a correctly completed DCA – 6 form?

DCA Response: Detailed instructions (Appendix C) and an example (Appendix E) can be found in the 2019 Applicants' Manual.

32. DCA – 6 requires applicants to provide client survey information. However, this information that will be reviewed by DCA staff is confidential.

DCA response: No personal identifying information should be included on DCA-6 or anywhere in the application. The following information is requested on DCA-6; CDBG activity number, total number of persons the activity will serve, total number of minorities the activity will serve, number of low and moderate income persons the activity will serve, percent of persons who have low and moderate incomes, amount of CDBG funds requested, and amount of CDBG funds to benefit low and moderate income persons. See detailed instructions in Appendix C of the 2019 Applicants' Manual. The information provided on DCA-6 is a summary of the entire target area.

33. Regarding the timeliness criteria, the State Historic Preservation Office (SHPO) has been difficult to work with in the past especially for housing projects. There have been instances in which SHPO clearance took longer than one year. What can be done to speed up the process?

DCA Response: DCA will forward these concerns with SHPO.

34. What can be done if the Q-Public data differs from primary source documents, such as deeds?

DCA Response: DCA acknowledges that the Q-Public data updates periodically and therefore, may not always be accurate. For ownership documentation, information from Q-Public can be submitted for each

property. If the information from Q-Public does not match the owner name listed in the application, further research is needed. Information must be provided that clarifies any discrepancies.

35. Must the 75% expenditure threshold for existing CDBG projects awarded two cycles ago be met by April 1, 2019?

DCA Response: The expenditure threshold must be met by July 1, 2019.

36. How many Innovative grants does DCA expect to award?

DCA Response: At a minimum, we anticipate making 2 awards for the maximum $2 million each.

37. UGLG's must be compliant by April1, 2019, what happens if an UGLG becomes delinquent after the April 1st deadline?

DCA Response: UGLG's must be compliant at the time of application <u>and</u> remain compliant throughout the review period until the award date.

38. Does HUD have to approve the proposed MOD changes before DCA can implement the changes?

DCA Response: Yes, HUD approval is required prior to implementation, which will commence April 1, 2019.

39. Will Preliminary Engineering Reports (PER) be evaluated differently than in the past?

DCA Response: The assignation of a potential 40 points value for PERs is new; however, PERs will be evaluated for the same content as in previous years.

40. Has the survey methodology changed? Can this section be clarified in the MOD?

DCA Response: The survey methodology has not changed.

41. I have very serious concerns regarding the move of "Professional Services Procurement" and "Tribal Consultation" from a bonus points category to a new threshold requirement. I take this to mean that applicants will be ineligible for funding if they cannot provide documentation that all of this has been completed prior to the early April application deadline. I work for an organization that serves an area of 51 county and municipal governments, many of whom are small communities that depend on grant funding like the Community Development Block Grant (CDBG) Annual Competition. These communities have varying degrees of staffing and finances.

DCA Response: Threshold requirements have been established regarding activities such as environmental review and professional procurement as described by the Applicants' Manual. Deadlines for compliance with the threshold requirements will be established by the Applicants' Manual, and DCA will give a period of time in order to cure Service Delivery Strategy threshold deficiencies. Applications that are incomplete or do not meet threshold requirements within the required time periods will not be considered for review.

42. For the purposes of the 2019 CDBG Annual Competition, prospective applicants are being given extremely short notice that all professional services (particularly engineering and/or architectural services) must be procured prior to the application deadline in early April. Regardless of the source of the funds, it's my understanding that prospective applicants will be required to follow the "Competitive Negotiation" method of procurement which requires the development of a Request for Proposal (RFP) or Request for Qualifications (RFQ) and must send out a copy of the RFP to at least 10 "known providers" in the case of engineering and architectural services procurement. This is a very time-intensive process that will be difficult for many

applicants to satisfactorily comply with prior to an April deadline. It will be especially difficult for the smaller communities that this program is designed to serve. Furthermore, very small communities that do not have adequate staffing or finances to meet these new threshold requirements will be ineligible for funding, disqualifying the very small, rural communities that the CDBG non-entitlement program was designed to assist. It will leave money for only larger communities that have the staffing and financial means to complete the new requirements.

DCA Response: UGLGs acquire professional services in preparation of submitting an application. DCA advises UGLGs to procure (in a single competition) a professional services contract to help the applicant with both application development as well as project services. This method avoid any apparent or perceived conflict of interest.

UGLGs are required to send solicitations to known providers. As a cost and time saving measure, UGLGs may choose to email solicitations.

43. Another issue is that a lot of local governments (especially smaller ones) do not like to commit to a contract for professional services (be it for architectural or engineering services) unless they know they have been selected for a grant award. Smaller communities are already at a distinct disadvantage to larger communities both in terms of staffing and finances. Making "Professional Services Procurement" a threshold requirement places an undue financial burden on these smaller communities who will have to incur attorney fees to review procurement documents and contracts for a project that may or may or not be selected for funding.

DCA Response: Any contracts entered for professional services should be a contract contingent upon a CDBG award.

44. Keeping the "Professional Services Procurement" and "Tribal Consultation" as bonus point categories gives all prospective applicants the incentive to complete these tasks and gives smaller communities that opportunity to receive points to make up for areas where they cannot possibly compete with larger communities. Making these components threshold requirements creates a larger disparity between smaller and larger communities. Bonus points allow smaller communities to receive points where they may not in other places (e.g. financial leverage, CDBG cost per person). Reduction of available bonus points could potentially prevent smaller communities from being selected for funding based on the scoring of applications. Many applicants do not have money to return to an RLF and/or do not have a Revitalization Area Strategy (RAS). This leaves only 5 possible bonus points for "Readiness to Proceed."

DCA Response: The Revitalization Area Strategies designation provides incentives, including bonus points for the Annual CDBG Competition, to communities who implement comprehensive redevelopment activities for targeted areas in their city or county. The FY2019/2020 Method of Distribution tightens the scoring criteria to receive the 20 points available under RAS. The only remaining bonus points for readiness to proceed are available full environmental review completion.

45. Page 9 - First Bullet: Please define "verified" project costs. Who will "verify" – does this mean the community's engineer or architect or is it DCA's engineer or architect? Costs vary for projects across the state. Is there going to be a statewide cost expectation? If so, will this be distributed to all parties?

DCA Response: Verified project costs are costs that have been substantiated through professional estimation or documentation from a credible source and appear to be reasonable. DCA will not impose a statewide cost schedule.

46. Page 9 - Second Bullet: Please define "complete" engineering and architectural reports and how 40 points will be factored. Is an engineer and/or architect's stamp of approval an indicator of a "complete" report? We recommend that DCA develop a definition for "complete engineering and architectural report".

    DCA Response: Please refer to question 11 and also reference the 2019 Applicants' Manual on pages 57 and 58.

47. Page 9 - Third Bullet: (verification of ownership), while most counties use Q-public to verify ownership (where Q-Public is the online entity with property tax records), title searches are not done until after the grant is awarded due to the costs associated with each search and the time-lag between the initial search and preparation for grant activity. Generally, pre-qualification of homeowners is done for the application and a complete qualification of the homeowner is secured after the grant is awarded. Title searches before the application are costly and the city/county will have to pay these costs up front without the ability to recoup expenses. A delay in grant award activity and/or a resubmittal of the grant would result in the need to secure title searches again at an additional cost. We recommend a pre-qualification format with title searches being part of the special conditions after the grant is awarded.

    DCA Response: DCA acknowledges that the Q-Public data updates periodically and therefore, may not always be accurate. For ownership documentation, information from Q-Public can be submitted for each property. If the information from Q-Public does not match the owner name listed in the application, further research is needed. Information must be provided that clarifies any discrepancies.

48. Page 9 Fifth Bullet - NEPA/Historic Preservation: When working with Housing and/or Multi-Activity applications it can be complicated to clear Historic Preservation. If a house is considered to have an adverse effect, it can take up to 6-18 months to reach an acceptable memorandum of agreement with the state Historic Preservation Office. Making it impossible to submit a complete NEPA with the application. This should be taken into consideration with the scoring of housing applications.

    DCA Response: DCA will forward these concerns with SHPO.

49. Page 9 Sixth Bullet: - 1) Correctly completed DCA-6: As you know, everyone completes DCA form 6 differently. If DCA wants a uniform DCA 6, a complete example of the DCA form should be placed in the manual. The Applicants Manual should include detailed instructions along with sample DCA 6 forms to ensure that DCA receives the information in its expected format.

    DCA Response: Detailed instructions (Appendix C) and an example (Appendix E) can be found in the 2019 Applicants' Manual.

50. Page 9 Sixth Bullet: - 5) Table of survey results: The requirement for inclusion of a Table of Survey results will create serious confidentiality issue. When conducting income surveys in a target area, applicants ensure that the information is kept confidential. This is often the only way to ensure that affected parties respond to the survey. Using survey data in a grant application other than in aggregate form creates the possibility of information being individually identifiable. Even providing a table with names blacked out and only addresses

along with Low-to-Moderate Income (LMI) categories in the application still allows readers to determine the range of the target area resident's income and may make it possible to pinpoint a participant's response. When DCA representatives monitor, they verify that survey information matches the aggregate data in the grant application. This should continue to be the method used and the table of survey responses should not be required in the application.

DCA response: No personal identifying information should be included in the table of survey results. In order to verify the validity of the information provided, DCA asks that the table of survey results provides a summary of the number of households, number of individuals, and income levels per street.

51. Service Delivery Strategy (SDS): Finally, during the public hearing, there was discussion related to inclusion of housing in the community's Service Delivery Strategy. The Georgia Service Delivery Act requires each county and its municipalities to develop and periodically update a service delivery strategy (SDS) that describes how services are provided and funded. Housing is not a service typically provided by a city or county. We strongly recommend that DCA refrain from requiring housing as an activity on a Service Delivery Strategy. Inclusion of the activity in the community's Comprehensive Plan is an acceptable approach rather than forcing the Service Delivery Strategy to address an issue it is not meant to cover.

DCA response: If the project is a single-activity housing project or a multi-activity housing project, the local government should ensure the activity ("housing") is a covered service in the Service Delivery Strategy. Please also see guidance in question #52 below.

52. Service Delivery Strategy: Is it necessary to update the SDS if grant funds were not identified as a potential funding source for a service?

DCA Response: During the Applicants' Workshop, information was presented to ensure CDBG projects were included in the local government's Service Delivery Strategy. Below is clarification on how to ensure your project is clearly covered by the SDS. If the project meets all three (3) of the following conditions, an SDS update is not required.

- *Is the activity a covered service provided in the Service Delivery Strategy?*
- *Will the activity take place within the defined boundaries of the Service Delivery Strategy?*
- *Has the community identified an appropriate and legal method of funding for the activity?*

If the project fails to meet any one of the three conditions, an SDS update is required. Please contact DCA's Office of Planning and Research for additional guidance (404-679-5279; planning@dca.ga.gov)

53. If DCA has previously approved the SDS to form, why would the addition of grant funds as a funding source for a service have bearing on a current CDBG application?

DCA Response: Please refer to the answer provided in #52.

54. Is adding the requirement to include Housing in the SDS a reinterpretation of the SDS law? During last year's CDBG application cycle housing was an exception. Why was it added for this year's CDBG annual competition?

DCA Response: In order to maintain consistency with the law, please see the previous answer provided in #52.

55. The PER and PAR are contingent upon the procurement of professional services. There is concern regarding the amount of notice and guidance provided for changes to the requirements of professional services for application services. Furthermore, these are all threshold requirements for the application. Would DCA consider loosening the deadline for this year's competition threshold requirements, including environmental reviews, to provide grant administrators and UGLG's ample time to adjust?

DCA Response: Procurement of grant writing and professional services is a new threshold requirement outlined in the MOD and the Applicants' Manual. All procurement must be completed in advance of the April 1 submission deadline. A guide to procurement of grant writing/administration and professional services can be found on our website at https://www.dca.ga.gov/node/3741/documents/10.

56. Would DCA consider pushing back the tribal consultation threshold requirement deadline to July?

DCA Response: The tribal consultation deadline has been revised and can be submitted along with the complete environmental review by July 1st. This revision is only in effect for the 2019 CDBG Annual Competition Cycle. Subsequent rounds will require tribal consultation as a threshold requirement to be submitted by the prescribed application deadline.

57. These are significant changes. The application process has become too complicated, which can take away from the application administration process.

DCA Response: A detailed Applicants' Manual has been provided to assist with application development. Should you have any questions, please feel free to contact our office for guidance.

58. Will additional guidelines be published for the Innovated Grant?

DCA Response: DCA will host a webinar on the Innovative Program in early 2019. An invitation to the webinar is forthcoming.

59. The Innovative Grant Program match requirements are very high, and perhaps out of reach, for most CDBG applicants in DCA's Non-entitlement program.

DCA Response: The Innovative Grant Program's match requirement is designed for communities to demonstrate their level of commitment. While a 15% match exceeds what is expected for the annual competition, the maximum grant amount of $2 million is also considerably higher.

60. As a grant administrator, I appreciate DCA providing and outlining the required order of appendices for this year's competition.

DCA Response: We appreciate the feedback. Thank you!

61. Why has owner participation been removed as consideration for leverage points?

DCA Response: While DCA has not ever required a cash match for single-activity housing applications, owner participation through a monetary contribution is a basic tenant for all housing applications (as well as multi-activity applications) similar to a cash match for all other activities. Therefore, in an effort to ensure fair and equitable treatment of all application types, single-activity housing owner participation contributions will be counted as match.