

# CDBG Public and Community Facilities



# Overview

## **Introduction**

## **Programmatic Responsibilities**

- Public Facilities Regulations: Eligible and Ineligible Activities

## **CDBG Timeframe**

- Project Delivery, Milestones Schedule, Actual and Projects

## **Timeliness**

- Quarterly / Annual Reports
- Financial Management
- Voucher Processing
- Allowable and unallowable cost

# CDBG - Public Facilities National Objective

For each CDBG-PF activity, one of the following three types of documentation must be kept:

Benefit low/ mod income persons

Prevent or eliminate slums and blight or

Meet an urgent need

# Eligible Activities – Public Facilities

CDBG regulations allow the use of grant funds for a wide range of public facilities and improvements, including, but not limited to:

- Acquisition (including long term leases for periods of 15 years or more)
- Construction
- Reconstruction
- Rehabilitation (including removal of architectural barriers to accessibility)
- Installation

**24 CFR 570.202 - Eligible rehabilitation and preservation activities**

# Ineligible Activities – Public Facilities

CDBG regulations does not allow the use of grant funds for a wide range of public service activities, including, but not limited to:

- Costs for operating or maintaining expenses
- Costs of purchasing construction equipment
- Costs of furnishings and other personal items such as uniform
- New construction of public housing

*24 CFR 570.207 - Ineligible activities*

# Contract Requirements

- Environmental Review Clearance
- Procurement Process
- Pre-Construction Meeting
- Davis-Bacon Requirements
  - **Required for any project over \$2k**  
(<https://www.hud.gov/sites/documents/4812-LRGUIDE.PDF>)
- Mortgage Lien Requirements
  - **Required for any project over \$20k**
  - **10 year restriction**

# CDBG- Public Facilities Reports

- Quarterly Reports
- Financial Management
  - Voucher Processing
  - Budget Reports
  - Budget Modification Process
  - Allowable and unallowable Costs
- **Annual Report submitted prior to closeout**

# CDBG-Public Facilities Additional Information

## **Time of Performance:**

- April 1, 2017 – March 31, 2018

## **Expenditures:**

- Sub recipients must execute a Subgrantee Agreement (Contract)
- Sub recipients are expected to submit vouchers for project expenditures in conjunction with the required reports.

## **Records and Reports:**

- Sub recipients are expected to submit project progress reports and annual activity reports. Failure to submit reports as required may result in funding reductions or the cancelation of the funding.



# CDBG-Public Facilities RFP

## **FISCAL YEAR 2018-2019 REQUEST FOR PROPOSALS**

COMMUNITY DEVELOPMENT BLOCK GRANTS  
Public & Community Facilities Projects (CDBG-PCF)

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ISSUE DATE:  
CLOSING DATE:



OCTOBER 20, 2017  
11:59 PM November 17, 2017

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ISSUED BY: THE CITY OF JERSEY CITY  
STEVEN M. FULOP, MAYOR

OFFICE OF COMMUNITY DEVELOPMENT  
CARMEN GANDULLA, DIRECTOR

# CDBG-Public Facilities RFP Threshold Requirement

## PROPOSAL THRESHOLD REQUIREMENTS:

ORGANIZATIONAL REQUIREMENTS	✓
1. Organizational/Business Articles of Incorporation	
2. Organization/Business By-Laws	
3. Current Board of Directors List	
4. Certificate of Good Standing	
5. System Award Management (SAM) Registration	
6. Most Recent Audited Financial Statements	
7. Most Recent Tax Return (for-profit) or Form 990 (non-profit)	
8. IRS 501(C)(3) Exemption Determination Letter (non-profit)	
THRESHOLD ELIGIBILITY REQUIREMENTS	
1. Eligible Project Type	
2. Low/Moderate-Income Benefit/HUD National Objective	
3. Site control	
4. Zoning	
5. Development and Operating Budget	
6. Project Timeline and Draw Schedule	
7. Appraisal	
8. Market Study	
9. Phase I	
10. Architectural Plans and Cost Estimate	
11. Green Design and Building	
12. Development Team Threshold	
13. Facility Operations Plan	
14. Relocation and Anti-Displacement Strategy	
15. Financing Letters	

# Scoring Sheet

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UNDERWRITER SCORING		
Market Demand and Needs Analysis		15
• NEED FOR PROJECT - Type of Housing	3.75	
• General Justification for Funding: How does project fit in with Con Plan, housing strategies, etc.?	3.75	
• Why is the project needed?	3.75	
• Assess neighborhood market conditions: What supports proposed home prices (homeownership) / proposed rents (rental)? b. What supports sales within 6 months (homeownership applications) / lease up within 18 months (rental)?	3.75	
Financial and Economic Feasibility of Applicant		15
• Examine sources & uses and operating pro forma: Are costs reasonable?	5	
• Examine sources & uses and operating pro forma: Are project development costs in line with industry standards/similar projects? Project operating cost in line with industry standards/similar projects?	5	
• Examine the Capital Needs Assessment (CNA): Can the project cover capital improvements throughout the Period of Affordability? Is an additional Capital	5	

Development Team Capacity and Experience		20
• Assess capacity of developer/development team: Developers/owners with previous City experience have maintained building(s) AND provided necessary tenant information in accordance with signed agreement? Any pending lawsuits or legal charges? CAPACITY OF DEVELOPER - Developer's Ability to Engage MWBE	5	
• Assess capacity of developer/development team: Complete similar projects successfully? Any problem projects current or past? CAPACITY OF DEVELOPER - Staff Expertise	5	
• Assess capacity of developer/development team: Describe evidence developer is financially stable.	5	
• Assess capacity of developer/development team: Describe evidence developer staff is sufficient, qualified.	5	
• Assess the capacity of ongoing management: Is there evidence they are managing similar properties successfully? Any problem projects current or past?	5	
Site Selection and Design Characteristics		10
• Assess project risks: Is project likely to be completed in a timely manner? Any foreseeable obstacles to completion?	10	
Cost Reasonableness Project		10
• Examine sources & uses and operating pro forma: Debt Coverage Ratio is acceptable? Return on Investment is acceptable? Loan to value is acceptable?	2.5	
• Examine sources & uses and operating pro forma: Has adequate funding been secured? What is the status of other funding sources?	2.5	
• Examine sources & uses and operating pro forma: Describe the evidence that the project can operate sustainably through the compliance period.	2.5	
• What contingencies should be placed on funding?	2.5	
Leverage	5	
Preference for community amenities located in underserved neighborhoods	10	
Project Readiness	5	
Green Building Prioritization	5	
Preference for Longer-Term Projects	5	
TOTAL		100

# CDBG-Public Facilities Monitoring and Compliance

## *Monitoring*

*Under Federal monitoring requirements of 24 CFR 570.501 (B) and with 24 CFR 84.51 and 85.40*

- Jersey City is responsible for managing the day-to day operations of grant and subgrant supported activities. Jersey City must monitor at least annually; subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved.
- Primary Goals of Monitoring:
  - Ensure production and accountability
  - Ensure compliance with CDBG and other Federal requirements
  - Evaluate organizational and project performance

# CDBG-Public Facilities Monitoring and Compliance

- The Regulations require that the performance of each subrecipient receiving CDBG funds must be reviewed by grantees at least annually. Good practice suggests that:
  - Any entity receiving CDBG funds of an eligible project must be monitored to ensure compliance with applicable program requirements
  - Reviews that are more frequent may be appropriate based on the length and complexity of the activity being undertaken and the experience and capacity of the subrecipient.

# CDBG-Public Facilities Monitoring and Compliance

## Types of Monitoring:

- **Administrative and Financial Monitoring:** ensures that the grantee and Subrecipient's are administering the program properly (i.e. using funds from authorized sources, tracking funds, using proper methods of recordkeeping, managing finances appropriately)
- **Program Monitoring:** ensures the operations and management of Subrecipient's for efficiency, effectiveness, compliance, etc. This kind of monitoring focuses on overall program performance of subrecipient.
- **Project Monitoring:** ensures that projects are in compliance with CDBG and other Federal standards. This kind of monitoring focuses on the compliance of an individual project.

# CDBG-Public Facilities Procurement

*Under Regulations 570.502, 570.610, 85.36*

Subrecipients must follow Federal procurement rules when purchasing services, supplies, materials, or equipment.

- The “essence of good procurement” can be summarized as follows:
  - Identify and clearly specify standards for the goods or services the grantee or subrecipient wants to obtain;
  - identify and clearly specify standards for the goods or services the grantee or subrecipient wants to obtain;
  - use a written agreement that clearly states the responsibilities of each party;
  - keep good records; and
  - have a quality assurance system that helps the grantee or subrecipient get what it pays for

# CDBG-Public Facilities Procurement

- There are **four** methods of procurement that are identified in the federal regulations:
  - Small Purchase Procedures: Allow recipients to acquire goods and services totaling no more than **\$100,000**, without publishing a formal request for proposals or invitation for bids.
  - Sealed Bids: Sealed bids (Formal Advertising) should be used **for all construction** contracts or for goods costing more than **\$100,000**.
  - Competitive Proposals: used to purchase professional services where the total cost will exceed \$100,000. Under this procurement method, the grantee must publish a written request for submissions and then review these submissions based on established selection criteria



# CDBG-Public Facilities Procurement

- Non-competitive proposals: when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and one of the following circumstances applies:
  - Where the item is available only from a single source;
  - Where a public emergency or urgent situation is such that the urgency will not permit a delay beyond the time needed to employ one or the other procurement methods; or
  - Where after solicitation of a number of sources, competition is determined inadequate.

# Other Considerations

- All federal funds used for physical improvements must follow federal guidelines for bidding and construction including Davis Bacon Wage rates and State Prevailing rates
- Identify MBE/WBE and Disadvantaged businesses to bid on project and provide information to General Contractors to encourage use of Subs