



TOWN OF BABYLON
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
Fiscal Year 2022
INSTRUCTIONS FOR PROGRAM PROPOSALS

PLEASE READ THE INSTRUCTIONS BELOW CAREFULLY BEFORE YOU FILL OUT THE APPLICATION

Grant Overview

Community Development Block Grant (CDBG)

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974, as amended. The Town of Babylon is an Entitlement Community and receives an annual allocation of CDBG and HOME funds directly from the U.S. Department of Housing and Urban Development (HUD). The regulations implementing the CDBG Program are found at 24 CFR Part 570 and 2 CFR part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Requirements”). To review the regulations in their entirety, visit HUD’s website at www.hud.gov.

Consolidated Plan

HUD requires all participating jurisdictions to submit a long-range strategic planning document called a Consolidated Plan. The Town of Babylon is currently functioning through its 2020-2024 Consolidated Plan. Consolidated Plans describe the housing and community development needs of the Town of Babylon for a five-year period. This document represents the Town of Babylon’s vision for improving the quality of life in the low-income areas of the Town and provides details on how specific goals will be accomplished. It is through the Consolidated Plan that the Town of Babylon determines its funding priorities each program year. As conditions change, the Consolidated Plan may be amended.

Annual Action Plan

The Annual Action Plan is the annual update to the Consolidated Plan. The plan describes resources available, how those resources are to be utilized, including funded projects, and the geographic distribution of those resources. The planning process has been specifically created to assist in mapping one-year actions for community development and making good use of available federal, state, and local resources.

Town of Babylon Geographic Distribution of Funds

Projects must primarily benefit low- and moderate-income residents of the Town of Babylon. Activities provided town-wide include public services, homebuyers’ assistance, housing rehabilitation, and homeless prevention and assistance. Any funded program/ project must be located in a HUD-defined low to moderate-income census block.

2020-2024 Consolidated Plan Measurable Objectives

By regulation, HUD grant funds must be used to meet the Measurable Objectives of the Town of Babylon Consolidated Plan. Measurable Objectives are developed after an analysis of existing conditions, community needs, and an extensive citizen participation process.

Public Services

Public services are social service activities in the community that benefit low- to moderate-income residents.

Eligible Organizations

Non-profit organizations that deliver services to low- and moderate-income clients within the Town of Babylon may apply for CDBG funding through the Town of Babylon's Department of Community Development. ***All non-profit organizations must have an IRS-granted nonprofit status and a DUNS Number (D&B DATA UNIVERSAL NUMBERING SYSTEM) at the time of application to receive funding through the Town of Babylon.***

Documentation of Client Eligibility

In accordance with CDBG regulation 24 CFR 570.506, organizations must acquire information to determine client eligibility, as well as for general reporting purposes. These guidelines are discussed at the conclusion of the National Objectives section.

Application

Organizations applying for CDBG funding for public services through the Town of Babylon must complete the application and include applicable documentation. Please read the application carefully and complete all sections relevant to your activity.

Incomplete applications will not be considered for funding.

Program Participation

Participation must be voluntary for the beneficiaries of the HUD-funded programs.

Match Requirements

CDBG regulations do not require matching funds on behalf of the sub-recipient as do some federal programs; however, limited CDBG funds **cannot support 100 percent of any program**. The Town of Babylon **highly recommends** that organizations provide leverage funds. Leverage fund sources include contributions derived from nonfederal sources and the value of third party in-kind contributions (i.e. volunteers, personnel, office space, materials, equipment, and supplies).

Meeting a HUD National Objective

CDBG funded activities must meet one of the three HUD National Objectives below:

- Benefit **low moderate** areas in the Town of Babylon and/or low moderate individuals
- Eliminate **slum and blight**
- Meet **urgent** community development **needs** local govt. unable to fund on its own

CDBG Public Service applicants must meet the National Objective regarding benefit to low- and moderate-income persons/area in order to receive funding. (24 CFR 570.201(e)). All proposals will be reviewed based upon US Department of HUD CDBG criteria that the project should be new or enhance an existing program.

Low- and moderate-income is defined as being less than 80 percent of the median family income for the area.

Please note: All information used to verify the program’s national objective criteria must be documented, verifiable, and maintained in the sub-recipients’ records on-site. Please read details on documentation requirements below the subcategory description.

Limited clientele

Limited clientele activities benefit a limited number of people rather than everyone in a defined area. At least 51 percent of those persons served must be low- and moderate-income persons. These activities must meet one of the following criteria:

- Benefit a clientele generally presumed by HUD to be principally low- and moderate income, i.e. abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, persons living with AIDS, or migrant farm workers; or
- Require information and documentation on family size and income in order to show that at least 51 percent of the clientele are low- and moderate-income; or
- Have income eligibility requirements limiting the activity to low- and moderate-income persons; or
- Be of such nature and in such a location that it can be reasonably concluded that the activity’s clientele will primarily be low- and moderate-income; or
- Be an activity that provides job training and placement and/or other employment support services when the percentage of low- and moderate-income persons assisted is less than 51 percent. Examples include, but are not limited to, peer support programs, counseling, childcare, transportation, and other similar services.

[Note: Some restrictions apply to these activities. See §570.208(a) (2) (iv).]

For each activity, *one* of the following types of documentation must be kept:

- Documentation showing that the activity is designed to be used exclusively by a segment of the population presumed by HUD to be low- and moderate-income persons; or
- Documentation describing how the nature and the location of the activity establishes that it will be used predominantly by low- and moderate-income persons; or
- Data showing the size and annual income of the family of each person receiving the benefit.

COMMUNITY DEVELOPMENT OBJECTIVES

(A minimum of one objective must be addressed in the project narrative.)

- To conserve and improve the existing housing stock.
- To provide a safe water supply in areas where contaminated private wells have been identified.
- To aid in the physical upgrading and general revitalization of older commercial areas.
- To eliminate flooding, drainage problems and substandard Public Street conditions, especially in areas where such conditions have an adverse effect on housing or pedestrian safety.
- To improve and expand facilities and provide project operating funds for public and private, not for profit, service organizations.
- To provide programs and activities serving the elderly, the handicapped and lower income persons.
- To aid in the elimination and prevention of blighting conditions.
- To stimulate economic development and increase job opportunities.
- To improve the amenities of life through assistance for recreational, historical and beautification activities.

The Town of Babylon Department of Community Development can make this application available to

you via e-mail. If you would like a copy e-mailed to your organization, please email Max Jacob at mjacob@townofbabylon.com

ELIGIBLE ACTIVITIES

In order for an activity to be eligible for funding under the Community Development Block Grant Program (CDBG), the following two criteria must be met:

- All projects must either meet the needs of low and moderate-income people, or aid in the prevention or elimination of slums and blight, or meet other community development needs having a particular urgency.
- All projects must address at least one of the eligible activities listed in 24 CFR 570.201 and 24 CFR 570.202. This information is attached herewith.

Note: The proposed project must benefit low and moderate-income people.

INELIGIBLE ACTIVITIES

The following list of ineligible activities is merely illustrative and is not a complete list of ineligible activities:

Public works and facilities not specifically cited as eligible, including:

1. Acquisition, construction, or reconstruction of buildings for the general conduct of government;
2. Buildings for the general conduct of Government.
 - a. Schools and educational facilities.
 - b. Airports, subways and transit terminals.
 - c. Hospitals, nursing homes and medical facilities.
 - d. Treatment works for sewage or liquid industrial waste.
3. Purchase of construction equipment or furnishings except in special instances.
4. Operating and maintenance expenses.
5. General Government expenses.
6. Political activities.
7. New housing construction
8. Income payments
9. Substitution of CDBG funds for current levels of state or local governmental funding for a service is prohibited.

Please see the attached regarding Eligible and Ineligible Activities under CDBG funding.

Minimum Criteria for Receipt of Funding

The proposed program/facility must:

- Provide services that benefit primarily low- to moderate-income persons residing in the Town of Babylon;
- Meet at least one of the Consolidated Plan Measurable Objectives; and
- Meet a HUD National Objective

Application Process Overview

Applicants must complete the application in a professional manner, with all sections properly completed, as well as demonstrate knowledge in the proposed program or project type. Organizations must demonstrate financial viability of their organization's capacity to operate a federally funded program. Town of Babylon funds are provided to awarded projects on a reimbursement basis only. This means that funds will be available to the organization *after* it has paid for eligible project costs. However, no costs incurred prior to contract approval will be reimbursed.

Staff will evaluate proposals based on information provided in the submitted application and **will not request missing information.**

Financially viable organization

A financially viable organization is one that is able to:

- Operate for a minimum of 180 days pending reimbursement without financial hardship;
- Demonstrate an existing and consistent cash flow; and
- Have a separation of duties for personnel time allocations, etc.
- Organizations that are current sub-recipient agencies must be in good standing with the Town of Babylon (i.e. have no outstanding reporting delinquencies, outstanding monitoring findings, or program capacity issues) in order to be considered for funding.

Please note that this funding is dependent on the Town receiving CDBG funds from HUD. The program should be able to operate regardless of receipt of these funds.

Disbursement of Funds

For Public Services awardees, **reimbursement** to sub-recipient agencies will be made upon the receipt of required documentation, for the amount specified in the contract. All funded organizations are required to submit their requests for reimbursement on the provided Community Development voucher. The voucher should list in detail the reimbursement request.

All expenses that are being reimbursed with CDBG funds must have appropriate back up and documentation as to why that is an eligible cost. Vouchers lacking sufficient detail will not be reimbursed until all of the information has been provided to the Department of Community Development.

No reimbursement will be paid without proof of payment.

No part of the Grant will be applied to any expenses paid or payable from any other external funding source, including State or Federal grants, or grants from any other public or private source.

Quarterly Reports and Performance Reports

Performance reports and Quarterly Reports are required to be submitted in a timely manner. Past / present performance and compliance of a sub-recipient will be evaluated during funding the agency.

Monitoring Reviews

Monitoring is an important component of the allocation process. Therefore, it is critical that the Town of Babylon and its sub-recipient agencies maintain the appropriate documentation to support their activities in accordance with Federal guidelines and the Town of Babylon Department of Community Development reporting requirements.

All sub-recipient agencies are required to submit documentation for the performance, eligibility, reimbursement, and characteristics of individuals served (e.g. race, ethnicity). This information is reviewed as part of the desk review.

The Department of Community Development will conduct annual on-site monitoring of organizations. HUD representatives may also make on-site visits as a part of their monitoring visits to the Town of Babylon.

The Town's Internal Auditor may also conduct on-site monitoring in certain circumstances. Client files may be reviewed by Town staff to ensure compliance with HUD guidelines. Organizations, by contract, must verify and maintain income data for each client. These records must be maintained for at least five years after the end of the annual contract.

In conducting performance reviews, the Town of Babylon will rely on information obtained from the sub-recipient agency's performance reports, maintained records, findings from on-site monitoring, and audit reports. Performance monitoring reviews typically result in a formal written report from Town of Babylon summarizing the monitoring review and indicating whether or not the sub-recipient agency was found to be in noncompliance with any applicable regulations or requirements. If findings or concerns are presented in a monitoring report, the sub-recipient agency is given a specific time frame in which to respond to the reported deficiencies. In addition, the Town of Babylon may either provide sub-recipient agencies with recommended corrective action or require sub-recipient agencies to submit proposals for corrective actions for approval.

Recordkeeping

Accurate recordkeeping is crucial to the successful management of grant-funded activities. Insufficient documentation is likely to lead to monitoring findings, and these findings will be more difficult to resolve if records are missing, inadequate, or inaccurate. Organizations receiving funding must complete an application for each individual and household client and maintain supporting documentation in participant files. If it is determined at the time of monitoring that the supporting documentation is incorrect or insufficient, reimbursement will be denied for costs associated with the ineligible expense(s).

Access to Records/Maintenance of Records

HUD and the Comptroller General of the United States or their authorized representatives have the right to access Grantee and sub-recipient program records. Recipients of HUD funds must keep documentation on funded programs for five years beyond the project/program closeout.

Inadequate Performance or Non-Compliance

If a sub-recipient agency or its funded activity is found to be out of compliance with Federal regulations or with any of the terms stipulated in the contract, funding can be withheld until compliance is achieved. In the event that compliance cannot be achieved, funding may be terminated. Additionally, funding may be withheld from any sub-recipient agency who does not accurately submit monthly reports on time. Reimbursements will resume when there are acceptable reporting procedures. If performance is found to be substantially inadequate in meeting the stated objectives and measures, the sub-recipient agency may be required to submit a written explanation.

Inadequate program performance by sub-recipient agencies may adversely affect future CDBG funding requests to the Town.

Performance Measurement System

Federal agencies are required to measure the outcomes of their programs to document program effectiveness, increase service quality, and improve public accountability. Program results are directly linked to funding decisions and public support for programs. HUD's new performance measurement system provides a consistent method to access data from grantees and aggregate the data nationally to demonstrate the positive impact CDBG is making at a national level.

Recipients of CDBG funds are required to meet one of the three outcomes and one of the three objectives listed below. Additionally, specific indicators are required for each activity based on the objectives and outcomes selected. Common indicators include information such as number of persons served, number of jobs created, number of housing units assisted, income levels of persons assisted, and race/ethnicity. Town staff will work with recipients of HUD funds to ensure that the requirements of the new performance system are met.

Conflict of Interest

The standards in 2 CFR 200.112, provide that no employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or perceived conflict of interest would be involved. Such a conflict would arise when an employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated in the contract has a financial or other interest in the firm selected for an award.

Insurance

The agency shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage. In addition, the agency shall have general commercial liability insurance protecting the Owner, Town of Babylon and its agents, servants, employees, directors and officers and shall be written for not less than \$1,000,000/\$2,000,000 an occurrence for injury to persons and not less than \$100,000 for damages to property. Certifications of proof of such insurance shall be filed with the Town prior to commencement of work and the Town is to be listed as a certificate holder and additionally insured. The agency shall hold harmless, defend and indemnify the Town and its CDBG Administrator and their assignees from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the agencies' performance or nonperformance of the services or subject matter called for in this Agreement. The agency shall provide Worker's compensation Insurance and Disability Insurance coverage for all its employees involved in the performance of this Agreement and provide evidence of same on forms acceptable to the Town.

Evaluation of Applications

Proposals will be evaluated in the following areas:

1. Organizational capacity and relevant experience
2. Evidence of need for service
3. Statement of Work/Service Plan
4. Budget Narrative
5. Financial Management
6. Availability of Funding
7. Past Performance and compliance meeting all requirements including but not limited to reporting and reimbursement