



# CDBG Applicant Guidebook

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## 6) A&M%(\$ A\$%+ " "OU% "M" (\$S1

Recipients must comply with Title 2 of the Code of Federal Regulations (CFR) Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as updated by HUD and available online at: [https://ecfr.io/Title-02/cfr200\\_main](https://ecfr.io/Title-02/cfr200_main)

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### Five Methods of Procurement

#### a **Micro-purchases** (NEW in 2015)

*Micro-purchase* means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation. Threshold for construction or rehabilitation projects is \$2,000 and subject to Davis Bacon and Related Acts.

#### B **Small Purchase Procedures**

This method of procurement can be used for the relatively simple and informal procurement transactions of securing certain services, supplies, equipment or other property that does not cost more than \$100,000 in the aggregate. Price or rate quotations are obtained from an adequate number\* of qualified sources to determine the most advantageous provider. A minimum of three (3) quotes is requested unless there are specific circumstances that this is not possible. Please consult the PDD office with any questions.

#### p **The sealed bid (formal advertising)**

This method of procurement is consistent with state law for procurement transactions undertaken for public improvement projects (M.G.L. c. 149 and c. 30, § 39M).

Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in Sec. 85.36(d)(2)(i) apply.

In order for sealed bidding to be feasible, the following conditions should be present:

- a. A complete, adequate, and realistic specification or purchase description is available;
- b. Two or more responsible bidders are willing and able to compete effectively and for the business; and
- c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- a. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
- b. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
- c. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- d. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- e. Any or all bids may be rejected if there is a sound documented reason.

For more detail, reference the **2 CFR Part 200.317- 326**:

#### **4. Competitive Proposals**

Procurement by competitive proposals generally is the method used for the selection of professional services. More than one source submits an offer and either a fixed-price or cost reimbursement (with a maximum amount or not to exceed figure) type of contract is awarded. Proposals from an adequate number of qualified sources are solicited through a formal, written request for proposals (RFP). The RFP must be publicized and must identify all evaluation factors and their relative importance.

Recipients must have a method for conducting technical evaluations of the proposals received and for selecting awardees. Any response to publicized requests for proposals must be honored to the maximum extent practical. An award is made to the responsible firm whose proposal is most advantageous, with price and other factors considered.

When procuring architectural/engineering (A/E) professional services, qualification-based procurement procedures may be used. Qualifications are solicited through a formal written request for qualifications (RFQ) process including a publicized notice. The most qualified competitor is selected based on established evaluation review criteria. The award is then made subject to fair and reasonable negotiated compensation. This method of procurement, where price is not used as a selection or evaluation factor, may be used only in the procurement of actual A/E professional services.

#### **5. Noncompetitive Proposals**

This method of procurement involves the solicitation of a proposal from only one source. Procurement by noncompetitive proposals (sole-source procurement) may be used only when one of the four following circumstances applies:

- 1) The item is available only from a single source.
- 2) Public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
- 3) The federal awarding agency or (pass through entity) expressly authorizes this method in response to a written request from a non-Federal agency.
- 4) After solicitation from a number of sources, competition is determined inadequate.

#### **6. Exemptions to Procurement Requirements *(added February 2019)***

In contrast to Subrecipient Agreements, Accounting Standards and Procurement requirements do not apply to Developer Agreements. But developers are still required to adhere to all other accounting requirements for recipients of federal funds, maintain adequate internal controls, and maintain documentation for costs incurred. Specific procurement rules do not apply and developers do not have to account for program income, though they and their development partners may not receive "undue enrichment" (for-profits) or unreasonable costs (non-profits). The HUD definition of a developer only includes Non-profits (ex. CHDO) or Private For-Profit recipients. Public or private Grantee or Consortium Member and Public Non-profit (housing or redevelopment authority) are NOT eligible to be a developer under the CDBG program. Developers are funded to complete a project, must have site control, plan, obtain permits, and manage the project from start to finish and cannot just serve as contractors. A written agreement between the Developer and the Town is required along with a cost analysis and documented determination of reasonable costs.

#### **Administrative Exemptions**

To qualify for the administrative employee exemption, all of the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
- The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers; and
- The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

#### **Pre-Procurement Review of Technical Specifications (2015 update)**

Per 2 CFR Part 200.324, upon request of the Federal Awarding agency (U.S. Department of HUD, herein "HUD") or the Pass Through entity (the Town of Barnstable, herein "Town") and representatives of such agencies, the non-Federal entity (CDBG applicant/ recipient) must make available:

- The Technical specifications on proposed procurements where HUD or the Town believes the review is needed to ensure that the item or service specified is the one being proposed for acquisition.

- Upon request of HUD or the Town, the applicant/ recipient must make the procurement documents (e.g. requests for proposals, invitations for bids, or independent costs estimates) available for pre-procurement review when:
  - The non-Federal entity's procurement procedures or operations fail to comply with procurement standards in Part 200
  - The procurement specifies a "brand name" product
  - The proposed contract is to be awarded to other than the apparent low bidder under a sealed bid procurement.
  - A proposed contract modification changes the scope of the contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- The non-Federal entity is exempt from the pre-procurement review:
  - If the HUD or the Town determines that its procurement systems comply with the standards of Part 200
  - The non-Federal entity self certifies its procurement system (but the self-certification does not limit HUD or the Town 's right to survey the system)

## 8) DAVIS BACON AND RELATED ACTS REQUIREMENTS

Projects involving construction or rehabilitation of buildings or property trigger compliance with Davis Bacon and Related Acts (DBRA). Please visit: <https://www.dol.gov/agencies/whd/government-contracts/construction> for information and forms.

In summary federal Davis Bacon wage rates and standards apply to projects receiving \$2,000 or more of federal assistance. Rates are based on location and type of work done and available online at <https://beta.sam.gov/>. CDBG applicants must provide information to potential contractors when obtaining estimates and request project wage sheets with bids. Recipients will be required to request rates if needed before the job begins; submit project wage sheets; provide work dates for employee interviews, and collect and submit certified payrolls weekly. Failure to comply with DBRA could result in loss of funds.

## 9) LEAD PAINT REQUIREMENTS

HUD's Lead Safe Housing Rule (24 CFR Part 35) and requirements apply to CDBG funded projects and available online at: <https://www.hudexchange.info/onecpd/assets/File/Basically-CDBG-State-Chapter-13-Lead.pdf>. Lead applicability form require for all housing, acquisition, leasing, rehabilitation and support services and operations activities. Additional documentation based on applicability determined is required to comply with the statute.

## 10) OTHER REQUIREMENTS

In addition to requirements mentioned above there are many other related regulations that should be considered when applying for funds. Some of these may have a direct impact on your budget or may be inconsistent with your organization's policies. You will be required to submit documentation demonstrating compliance with all related laws and regulations as applicable to your project.

In an effort to help you understand some basic information we have provided a summary of a few of those requirements below. Please note the information below is not complete and does not replace the regulations. See also HUD's Guide to National Objectives and Eligible Activities at: <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/> and the Town website [www.townofbarnstable.us/cdbg](http://www.townofbarnstable.us/cdbg).

PROJECT TYPE	REQUIREMENT	TRIGGER	DOCUMENTATION REQUIRED
All CDBG Activities	Income Eligibility	Use of CDBG funds	Proof of income and assets and other documentation depending on which HUD approved method used to calculate.
All CDBG Activities	Projects must occur within Town of Barnstable borders	Use of CDBG funds	If serving a larger population funds would be pro-rated. Housing assistance is only available within Town Boundaries.
All CDBG Activities	Environmental Release of Funds	Use of CDBG funds	ERR - All projects/programs need to be reviewed for compliance.
All CDBG Activities	Eligible Citizenship	Use of CDBG funds	Proof of eligible citizenship status of beneficiaries.
All CDBG Activities	Procurement policies	Use of CDBG funds for services or to purchase products	Generally speaking: 3 quotes; proof of contractor eligibility to work in Town & on federal contracts; Cost reasonableness; some projects have more requirements
Construction, Rehabilitation, demolition, modifications to real property	Davis Bacon and Related Acts (DBRA)	\$2,000 or more of Federal funds	BID docs including DB Rate req's; Project wage sheets, Weekly payrolls, notification of work dates to set up employee interviews, etc.. DB applies to ENTIRE project-not just fed funded portion.
Housing projects of any kind	Lead Safe Housing Rule	Properties built before 1978 & compliance is based on dollar amount of assistance	Lead Safe Checklist, Lead Safe Applicability form, and required attachments. Rehab: Under \$5,000 safe work practices and stabilization if lead disturbed; \$5,001-\$25,000- Clearance, notice to home owners; Full abatement over \$25,000. Acquisition: Lead hazard assessment, deteriorated paint must be stabilized prior to occupancy, safe work practices and clearance required. Notification: Lead hazard information pamphlet and notice of reduction activity must be provided.
Acquisition or rehab of Real Property	Real Property 200.311	Activities involving the purchase or improvements of real property	Real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the non-Federal entity must not dispose of or encumber its title or other interests. Change of use requires Town and HUD approval and must comply with public notification procedures. Properties no longer meeting a national objective or not approved for change of use require repayment and/or other default terms as indicated in the written agreement.
Construction, demolition, rehab of housing or public facilities, infrastructure, etc.	Section 3	\$200,000 combined on applicable activities; and \$100,000+ on individual contracts; need for new employment, contracting, or training opportunities	Implementing procedures to notify Section 3 residents & business concerns about training, employment, & contracting opportunities generated by Section 3 covered assistance.

Access to project information and documentation must be granted to the Town of Barnstable, HUD, and Office of Management and Budget (OMB) and any of representatives as requested.

## 11) HOW TO APPLY FOR FUNDS:

Applications thereafter will be accepted on a first come first serve basis until funds are fully committed.

If you are a new applicant or if you are not sure whether your project meets eligibility guidelines it is recommended that you submit a Pre-Application for review. If you know your proposed project is eligible you may skip the pre-application process and submit a full application for review. Both available on the Town website at: <https://www.townofbarnstable.us/departments/cdbg/default.asp>.

**Step 1 – Pre-Application Updated 2022:** Please complete and submit a pre-application form for consideration. If the proposal appears to meet the initial requirements you will be asked to submit a full application. The pre-application available on the Town of Barnstable website and should be submitted by email with “CDBG application” in the subject line please.

**Step 2 – Application: If the pre-application meets the minimum requirements you will be asked to complete a full application.** Applications and instructions are located on the Town website and can be emailed upon request. When offices open to the public they will be available in the Planning and Development Department at 367 Main Street, 3<sup>rd</sup> Floor, Hyannis, MA 02601. Applications shall be submitted by email with “CDBG application” in the subject line please.

### Instructions for Submitting Attachments – Important Please Read

After you submit your application you will receive an email from Town employee requesting the attachments listed below. The email will say “File Request” at the top; will include Town contact information and the Liquid files logo at the bottom. This is a secure portal to submit files that contain confidential or sensitive information.

Please click on the “Send Requested files” button in the email. It will bring up a secure email page with an “Add files” button. Please select the files you want to send, add a message if desired and click the send button.

### List of Required Attachments:

- 501(c)(3) Letter of Tax Determination Status from the Internal Revenue Service (IRS)
- One (1) copy of agency’s most recent financial audit
- One (1) copy; MA Certificate of Good Standing A Certificate of Good Standing
- *Additional information may be requested as needed to determine eligibility*

**Step 3 – Environmental Review Process:** The CDBG program requires Environmental Reviews for all proposed projects before funding approval. You may be asked for additional information necessary to complete the review. Projects cannot be approved until this process is complete.

**Step 4 – Contracts:** HUD requires written agreements with recipients that outline the terms and conditions of accepting CDBG funds. Contracts are valid after all parties sign and upon the Congressional Release of Funds by HUD. Funds cannot be used for activities occurring before the contract is fully executed.

**Step 5 – Notice to Proceed:** When the contract is fully executed and HUD releases the funds you will be given a notice to begin your project. **Funds cannot be used for items committed or purchased before this time.**

**Contact:** Town offices at Town Hall and 200 Main are closed to the public and many of us are working remotely. The best way to reach us during this time is by e-mail: [elizabeth.jenkins@town.barnstable.ma.us](mailto:elizabeth.jenkins@town.barnstable.ma.us) but you may also leave a message at 508-862-4678

## 12) APPLICATION SELECTION PROCESS:

Pre-Applications are reviewed to see if it meets the minimum eligibility requirements. If information provided in the pre-application phase appear to meet the minimum requirements you will be asked to complete a full application.

Applications are evaluated by a review committee and rated based on the following:

- Activities must meet a National Objective and be an Eligible Activity. If these criteria are not met the application will not be reviewed any further and will not be eligible for CDBG funds.
- Applicants must have a valid Dun and Bradstreet (DUNS) number and be registered with the System for Awards Management (SAM.gov) to qualify for assistance under this program.
- Application completeness and conformance with submission policies – incomplete applications will NOT be reviewed for funding.
- Support of Consolidated Plan Goals and Objectives
- Public benefit - numbers of households or persons served that are low/moderate income residents; number of low or extremely low income residents served; number of limited clientele served; number of affordable housing units created; number of full time jobs for low/mod persons created/retained, etc.
- Demonstrated need for project or program including coordination/collaboration Projects are carefully reviewed in an effort not to duplicate services.
- Amount of agency and other funding sources in the project or program - leveraging
- Timeliness and capacity of Agency to carry out the project within the program year with most of the funds expended by April.
- Capacity to comply with all grant requirements. Past performance and award history or similar experience, qualifications reviewed.
- Participation in the Consolidated Planning process-attendance at CDBG public meetings or consultations, etc.
- Financial stability

### **Priorities for the 2022 NOFA:**

- Activities to assist in the recovery efforts following COVID-19
- Public service activities assisting in the recovery of COVID-19 and serving a limited clientele population, including vulnerable populations, services for homeless populations, and other eligible services for vulnerable populations.
- Micro-enterprise or small business assistance to retain or create jobs or economic opportunities for low and moderate-income persons recovering from COVID-19
- Services to support public safety in the downtown Hyannis Neighborhood Revitalization Strategy Area (NRSA)

Recommendations are made to the Town Manager who makes the final determination and approvals.

## 13) CONTACT:

Town offices at Town Hall and 200 Main are open to the public. Please visit us in person at 367 Main Street Hyannis MA 02601 or contact us by email or phone:

[elizabeth.jenkins@town.barnstable.ma.us](mailto:elizabeth.jenkins@town.barnstable.ma.us)

(P): 508-862-4678.

## 14) QUICK LINKS TO INFORMATION & FORMS

There are many guidelines and regulations that relate to the CDBG program. Below is a list of related resources to help you understand them. See also Town website for updated information:

<https://townofbarnstable.us/departments/cdbg/default.asp>.

Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems <https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/>

Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

HOME Income Limits (*Also used for the CDBG program per HUD*) <https://www.hudexchange.info/programs/home/home-income-limits/>

CPD Income Calculator <https://www.hudexchange.info/incomecalculator/>

Link to Federal Wage Requirements & Information <https://www.dol.gov/agencies/whd/government-contracts/construction>

Link to Federal Wage Rates as of June 2019 <https://beta.sam.gov/>

Guidance on Minority Business Enterprise and Women's Business Enterprise Outreach <https://www.hudexchange.info/resource/248/guidance-on-minority-business-enterprise-and-womens-business-enterprise-outreach/>

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### RELATED WEBSITES:

U.S. Department of Housing and Urban Development (HUD): <https://www.hud.gov/>

Code of Federal Regulations (CFR): <https://www.ecfr.gov/cgi-bin/ECFR?page=browse>

Davis Bacon and Related Acts (DBRA): <https://www.dol.gov/agencies/whd/government-contracts/construction>

## ATTACHMENT 1 – PROJECT ELIGIBILITY CHECKLIST

### Basic Eligible Activities - 570.201

CDBG funds may be used for the following activities: *(please check appropriate box)*

(a)	<input type="checkbox"/> <b>Acquisition</b>	Acquisition in whole or in part by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose.
(b)	<input type="checkbox"/> <b>Disposition</b>	Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property.
(c)	<input type="checkbox"/> <b>Public facilities and improvements</b>	Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except buildings for the general conduct of government. Activities may include: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements;</li> <li>• <input type="checkbox"/> Design features and improvements that promote energy</li> <li>• <input type="checkbox"/> Architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance</li> <li>• <input type="checkbox"/> Eligible facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims.</li> </ul>
(d)	<input type="checkbox"/> <b>Clearance activities</b>	Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites. Demolition of HUD-assisted or HUD-owned housing units maybe undertaken only with the prior approval of HUD.
(e)	<input type="checkbox"/> <b>Public services</b>	Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, homebuyer down payment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be meet each of the following criteria: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> A new service or a quantifiable increase in the level of an existing service above that which has been provided with State and Local funds in the previous 12 calendar months ; and</li> <li>• <input type="checkbox"/> The amount of CDBG funds obligated for public services shall not exceed 15 percent of the annual grant, and 15 percent of program income received during the immediate proceeding program year.</li> <li>• <input type="checkbox"/> Continuation of a Public Service program funded by TOB CDBG in the previous program year.</li> </ul>
(f)	<input type="checkbox"/> <b>Interim assistance.</b>	Activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where immediate action is and where permanent improvements will be carried out as soon as practicable in order to alleviate emergency conditions threatening the public health and safety in areas where an emergency condition exists and requires immediate resolution.
(g)	<input type="checkbox"/> <b>Payment of non-Federal share.</b>	Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities.
(h)	<input type="checkbox"/> <b>Urban renewal completion.</b>	Payment of the cost of completing an urban renewal project funded under <b>title I of the Housing Act of 1949 as amended</b>
(i)	<input type="checkbox"/> <b>Relocation.</b>	Relocation payments and other assistance for permanently and temporarily relocated individuals' families, businesses, nonprofit organizations, and farm operations.
(j)	<input type="checkbox"/> <b>Loss of rental income.</b>	Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.
(k)	<input type="checkbox"/> <b>Housing services.</b>	Housing services such as tenant counseling in connection with tenant-based rental assistance and affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act.
(l)	<input type="checkbox"/> <b>Privately owned utilities.</b>	CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.

(m)	<input type="checkbox"/> <b>Construction of housing.</b>	CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.
(n)	<input type="checkbox"/> <b>Homeownership assistance.</b>	CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act.
(o)	<input type="checkbox"/> <b>Facilitate economic development.</b>	(c) CDBG funds may facilitate economic development by: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of micro enterprises;</li> <li>• <input type="checkbox"/> Providing technical assistance, advice, and business support services to owners of micro-enterprises and persons developing micro enterprises; and</li> <li>• <input type="checkbox"/> Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of micro enterprises and persons developing micro enterprises.</li> </ul>
(p)	<input type="checkbox"/> <b>Technical assistance.</b>	Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities.
(q)	<input type="checkbox"/> <b>Assistance to institutions of higher education.</b>	Provision of assistance to institutions of higher education if such institution has demonstrated a capacity to carryout eligible activities.

*If your activity cannot be classified as one of the above continue to the next page.*

**Eligible rehabilitation and preservation activities - 570.202**

(a) <input type="checkbox"/>	<b>Types of buildings and improvements eligible for rehabilitation assistance.</b>	CDBG funds may be used to finance the rehabilitation of: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;</li> <li>• <input type="checkbox"/> Low-income public housing and other publicly owned residential buildings and improvements;</li> <li>• <input type="checkbox"/> Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvements to the exterior of the building and the correction of code violations;</li> <li>• <input type="checkbox"/> Nonprofit-owned nonresidential buildings and improvements</li> <li>• <input type="checkbox"/> Manufactured housing when such housing that is part of the community's permanent housing stock.</li> </ul>
(b) <input type="checkbox"/>	<b>Types of assistance.</b>	CDBG funds may be used to finance the following types of activities, and related costs: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;</li> <li>• <input type="checkbox"/> Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures, which may be undertaken singly, or in combination;</li> <li>• <input type="checkbox"/> Loans for refinancing existing indebtedness secured by a property being rehabilitated;</li> <li>• <input type="checkbox"/> Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;</li> <li>• <input type="checkbox"/> Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;</li> <li>• <input type="checkbox"/> Connection of residential structures to water distribution lines or local sewer collection lines;</li> <li>• <input type="checkbox"/> For rehabilitation carried out with CDBG funds, costs of: Initial homeowner warranty premiums; Hazard insurance premiums, except where assistance is provided in the form of a grant; and Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973; and Procedures concerning inspection and testing for and abatement of lead-based paint.</li> <li>• <input type="checkbox"/> Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;</li> </ul>

		<ul style="list-style-type: none"> <li>• <input type="checkbox"/> Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities</li> <li>• <input type="checkbox"/> Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937;</li> <li>• <input type="checkbox"/> Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section</li> </ul>
(c)	<input type="checkbox"/> <b>Code enforcement</b>	Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area
(d)	<input type="checkbox"/> <b>Historic preservation.</b>	CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government
(e)	<input type="checkbox"/> <b>Renovation of closed buildings.</b>	CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing
(f)	<input type="checkbox"/> <b>Lead-based paint activities.</b>	Lead-based paint activities as set forth in part 35 of this title.

*If your activity cannot be classified as one of the above continue to the next page.*

### Special economic development activities - 570.203

A recipient may use CDBG funds for special economic development activities as part of an economic development project. The recipient must ensure that the appropriate level of public benefit will be derived before obligating funds. Special activities authorized under this section do not include assistance for the construction of new housing. Special economic development activities include:

(a)	<input type="checkbox"/> The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions.
(b)	<input type="checkbox"/> The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project.
(c)	<input type="checkbox"/> Economic development services include, but are not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

### Special activities by Community-Based Development Organizations (CBDOs). - 570.204 (Currently, only Housing Assistance Corporation (HAC) is currently designated if interested call CED Coordinator)

(a)	<input type="checkbox"/> <b>Eligible activities</b>	CDBG funds may be used by CBDO to carry out a neighborhood revitalization, community economic development, or energy conservation project, including: <ul style="list-style-type: none"> <li>• Activities listed as eligible; and</li> <li>• Activities not otherwise listed as eligible - excluding buildings for the general conduct of government business, general government expenses, and political activities.</li> </ul>
(b)	<input type="checkbox"/> <b>Activities must:</b>	(1) Meet the public service requirements, although services specifically designed to increase economic opportunities through job training and placement and other employment support services; (2) meet the requirements of the guidelines for evaluating and selecting economic development project under Section 570.209; and (3) must not result in the recipient exceeding the 20% limit on planning and administrative costs.
(c)	<input type="checkbox"/> <b>Eligible Entities are:</b>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/> Non-profit or for-profit organizations engaged in community development activities primarily within an identified geographic area and whose primary purpose is the improvement physical, economic and social environment;</li> <li>• <input type="checkbox"/> Section 301 (d) Small Business Investment Companies; including those which are profit making; State or local Development Companies; or Community Housing Development Organizations (CHDOs);</li> <li>• <input type="checkbox"/> Organization similar in purpose, function and scope.</li> </ul>

***If your activity cannot be classified under one of the above it may not be eligible for CDBG funding. Please see below and contact 508-862-4678 if any questions.***

**INELIGIBLE ACTIVITIES - 570.207**

The general rule is that any activity that is not authorized under the provisions of §§570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a)	<input type="checkbox"/> The following activities may not be assisted with CDBG funds: <ul style="list-style-type: none"> <li>• Buildings or portions thereof, used for the general conduct of government</li> <li>• General government expenses;</li> <li>• Political activities.</li> </ul>
(b)	<p>The following activities may not be assisted with CDBG funds unless carried out as a special economic development activity, or as a public service, or by an eligible community-based development organization, or by the recipient as specifically authorized.</p> <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Purchase of equipment;</li> <li>• <input type="checkbox"/> Construction equipment;</li> <li>• <input type="checkbox"/> Fire protection equipment. Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under §570.201(c);</li> <li>• <input type="checkbox"/> Furnishings and personal property;</li> <li>• <input type="checkbox"/> Operating and maintenance expenses;</li> <li>• <input type="checkbox"/> Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities;</li> <li>• <input type="checkbox"/> New housing construction;</li> </ul>
<input type="checkbox"/> <b>Income payments</b>	<p>Defined as a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months directly to the provider of such items or services on behalf of an individual or family. One time grants, emergency type grants, or loans for such purposes may be authorized under the category of Public Services [see §570.201(e)]. Reference: §570.207(b)(4)</p>

**REVISED April 6, 2020**

Grantees should coordinate with local health authorities before undertaking any activity to support state or local pandemic response. Grantees may use Community Development Block Grant (CDBG) funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus.

**Examples of Eligible Activities to Support Coronavirus and Other Infectious Disease Response**

<i>For more information, refer to applicable sections of the Housing and Community Development Act of 1974 (for State CDBG Grantees) and CDBG regulations (for Entitlement CDBG grantees).</i>	
<b>Buildings and Improvements, Including Public Facilities</b>	
Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements. <i>See section 105(a)(2) (42 U.S.C. 5305(a)(2)); 24 CFR 570.201(c).</i>	Construct a facility for testing, diagnosis, or treatment.
	Rehabilitate a community facility to establish an infectious disease treatment clinic.
	Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment.
Rehabilitation of buildings and improvements (including interim assistance). <i>See section 105(a)(4) (42 U.S.C. 5305(a)(4)); 24 CFR 570.201(f); 570.202(b).</i>	Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system.
	Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery.
	Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis.
<b>Assistance to Businesses, including Special Economic Development Assistance</b>	
Provision of assistance to private, for-profit entities, when appropriate to carry out an economic development project. <i>See section 105(a)(17) (42 U.S.C. 5305(a)(17)); 24 CFR 570.203(b).</i>	Provide grants or loans to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.
	Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons.
Provision of assistance to microenterprises. <i>See section 105(a)(22) (42 U.S.C. 5305(a)(22)); 24 CFR 570.201(o).</i>	Provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine.

Provision of New or Quantifiably Increased Public Services	
Following enactment of the CARES Act <sup>1</sup> , the public services cap <sup>2</sup> has no effect on CDBG-CV grants and no effect on FY 2019 and 2020 CDBG grant funds used for coronavirus efforts.  <i>See section 105(a)(8) (42 U.S.C. 5305(a)(8)); 24 CFR 570.201(e).</i>	Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
	Provide testing, diagnosis or other services at a fixed or mobile location.
	Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
	Provide equipment, supplies, and materials necessary to carry-out a public service.
	Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.
Planning, Capacity Building, and Technical Assistance	
Entitlement only: data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans. <i>See 24 CFR 570.205.</i>	Gather data and develop non-project specific emergency infectious disease response plans.

**Planning Considerations**

Infectious disease response conditions rapidly evolve and may require changes to the planned use of funds:

- CDBG grantees must amend their Consolidated Annual Action Plan (Con Plan) when there is a change to the allocation priorities or method of distribution of funds; an addition of an activity not described in the plan; or a change to the purpose, scope, location, or beneficiaries of an activity (24 CFR 91.505).
- If the changes meet the criteria for a “substantial amendment” in the grantee’s citizen participation plan, the grantee must follow its citizen participation process for amendments (24 CFR 91.105 and 91.115).
- Under the CARES Act, CDBG grantees may amend citizen participation and Con Plans concurrently in order to establish and implement expedited procedures with a comment period of no less than 5-days.

**Resources**

The Department has technical assistance providers that may be available to assist grantees in their implementation of CDBG funds for activities to prevent or respond to the spread of infectious disease. Please contact your local CPD Field Office Director to request technical assistance from HUD staff or a TA provider.

- Submit your questions to: [CPDQuestionsAnswered@hud.gov](mailto:CPDQuestionsAnswered@hud.gov)
- Coronavirus (COVID-19) Information and Resources: <https://www.hud.gov/coronavirus>
- CPD Program Guidance and Training: <https://www.hudexchange.info/program-support/>

<sup>1</sup> On March 27, 2020, President Trump approved the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act). The CARES Act makes available \$5 billion in CDBG coronavirus response (CDBG-CV) funds to prevent, prepare for, and respond to coronavirus.

<sup>2</sup> Section 105(a)(8) of the HCD Act caps public service activities at 15 percent of most CDBG grants. Some grantees have a different percentage cap.

## ***e-snaps Resource Document – DUNS Number and SAM***

This document provides instructions on how to obtain a Data Universal Numbering System (DUNS) Number and register with the System for Award Management (SAM). All Collaborative Applicants and Project Applicants must have a Data Universal Numbering System (DUNS) Number, and all Project Applicants (including Collaborative Applicants applying for CoC planning funds) must register with the System for Award Management (SAM).

### DUNS NUMBER

A DUNS Number, assigned by the company Dun & Bradstreet, is required when submitting any application for Federal funds. If your organization does not already have a DUNS Number, please visit the Dun & Bradstreet website at [www.dnb.com](http://www.dnb.com) or call 1-800-700-2733. The process of obtaining a DUNS Number is free of charge and should take less than 15 minutes.

Most organizations will have a 9-digit DUNS Number. Larger organizations that have multiple departments might already use 4-digit extensions on the DUNS Numbers to distinguish between the various offices with the organization. For example, if a State DUNS Number is 123456789, the Housing, Health, and Transportation Departments should all have different 4-digit extensions, especially since these departments might have different addresses and contact personnel. The 13-digit numbers would look like 123456789-1234. In e-snaps, however, the hyphen is NOT entered.

### SYSTEM FOR AWARDS MANAGEMENT (SAM)

All Project Applicants must be registered with the System for Award Management (SAM). HUD will not issue a grant agreement for awarded funds to a project applicant until an active SAM registration is verified.

If you had an active record in the Central Contractor Registry (CCR), then you have an active record in SAM. You do not need to do anything in SAM at this time, unless a change in your business circumstances requires an update to your organization's record(s) in order for you to receive an award.

If you did not have an active record in the CCR or if your organization's record expired, you will need to register your organization in SAM. Please visit the System for Award Management website, [www.SAM.gov](http://www.SAM.gov) to register or update your organization. You will need to create a user account before registering or updating your organization. The SAM will ask you for the North American Industry Classification System or NAICS (pronounced "naykes") code that best describes your industry. Please enter NAICS code 624229, "Other Community Housing Services." The website has detailed instructions and user guides to assist in registering your organization.