



COUNTY OF MORRIS CDBG TECHNICAL GUIDE

2017

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COMMUNITY DEVELOPMENT BLOCK GRANT

A letter from the Director of Community Development Programs-Timothy J. Tansey

It is my great pleasure to present to you this Community Development Block Grant (CDBG) Program Manual. The Office of Community Development is fortunate to have members of the Morris County Office of Community Development Revenue Sharing (CDRS) Committee, dedicated individuals with years of experience and who spend countless hours reviewing applications and presentations. They have been hard at work for years and the fruit of their labor is seen across all facets in communities across Morris County.

The HUD-CDBG grant allows communities in Morris County to bring different programs to residents, ranging from Senior Citizen center restorations, homes for low income individuals, sidewalks, road and water main repairs, to Childcare scholarships. All programs funded by CDBG are geared toward positive changes toward physical, economic and social conditions within Morris County.

The CDBG program partners with municipalities and non-profit organizations - community based organizations to bring quality improvements to Morris County communities. Our goal at the Office of Community Development is to build stronger communities, decent, clean, suitable living conditions and affordable housing for low and moderate income community members and at the same time expand economic opportunities. CDBG sub-recipients must follow many HUD rules and regulations further explained in this Manual.

For this reason, I invite you to carefully read this Manual to learn various aspect of the HUD-CDBG process. We keep communities abreast of our accomplishments, application process, annual reports, and legal notices on our website at www.MorrisHumanServices.org/community. Should you have further questions, please do not hesitate to contact me at 973-285-6033 or any of the Community Development staff. We will be happy to help you with any questions or concerns you may have.

Sincerely,

Timothy J. Tansey

Technical Guide Prepared by Darsi D. Beauchamp, Ph.D.
Updated 6/12/2017

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What is the Community Development Block Grant Program?

CDBG

The Community Development Block Grant program is a federal program that began its operation in 1974, it is one of the longest running programs by the U.S. Department of Housing and Urban Development (HUD). This federal program provides States and Local Governments with grants to devise innovative and constructive approaches that improve the physical, economic, and social conditions within communities. These improvements primarily benefit persons of low and moderate income. Section 102(a) (20) of the Housing and Community Development Act of 1974 defines the term 'low-and moderate income persons' as families and individuals whose incomes are no more than 80 percent of the median income of the area involved.

NATIONAL OBJECTIVES

To be in compliance with HUD, it is required that at least 70 percent of all CDBG funds received during the period of one, two, or three consecutive program years, as selected by the CDRS for this purpose, be expended on activities which are considered under program rules to benefit Low/Moderate income persons. This requirement is distinct from the requirement that individual activities which are considered under program rules to meet the Low/Moderate income national objective. A low income area is generally of persons at least 51 percent of whom are Low/Moderate income, however, Morris County is an exception community and the low/moderate percent is 24.11% when using the census for area benefit. If a community undertakes a survey, then the area must meet the 51% standard. For activities requiring income qualification, then at least 51% of applicants must be low income (for individual services such as housing rehabilitation, every client must be low income).

WHAT IS THE MORRIS COUNTY COMMUNITY DEVELOPMENT REVENUE SHARING COMMITTEE (CDRS)?

The Mayor and governing body of each municipality is requested to provide the committee with names and addresses of two representatives (one by Mayor and an alternate appointed by the Mayor and one by governing body) following the annual organizational meeting. Each municipality has two representatives, but can appoint an alternate appointing official (by Mayor). The Committee is headed by a chairperson and a note taker is also elected among the subcommittee members. The Committee is sub-divided into four standing sub-committees, such as *Public Services*, *Public Improvements*, *Public Facilities*, and *Housing*.

Each subcommittee is charged with reviewing applications for projects that fit within their responsibility. A county staff member serves as a facilitator, but because there is a chairperson chosen by the subcommittee members, the facilitator is always available to answer any questions any applicants and participants may have, but cannot be involved in the review of proposed activities, cannot ask questions, and cannot make any recommendations for funding.

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The Morris County Office of Community Development Revenue Sharing Committee is bound by written policy and procedures called “Ground Rules” and “By-Laws”. The “Ground Rules” are the step by step procedures on how to review the applications that are provided to the committee and for choosing the activities that are recommended for funding. In addition, the staff provides a list of review questions for the subcommittee members to use when reviewing each application before the applicants present their project to the committee. Further, a rubric-scoring tool is used to evaluate the program proposals whereby maximum score for each category is explained. A list of abbreviations are also provided to help the subcommittee members better navigate the HUD program acronyms.

After the presentations, the Regional Coordinators meet to recommend a funding plan for approval by the full CDRS Committee. The County then advertises and holds a Public Hearing attended by the full CDRS at which time the full committee is asked for approval of the recommended activities. The full committee recommendations are forwarded to the Board of Chosen Freeholders for their approval. The Action Plan is then forwarded to HUD for final approval and funding for the grant cycle. Please note that the Office of Community Development does an initial review of the proposed activities for eligibility and to determine that each one meets a national objective and that the information contained therein is complete, otherwise, the application does not move forward to the subcommittee level.

PROJECT ELIGIBILITY

Of the 39 municipalities in Morris County, 37 (except Parsippany and Dover) participate in the CDBG funding grant program and all 39 participate in the HOME grant program. Non-profit agencies that serve individuals in those 37 municipalities are also eligible to apply for funding. Non-profit agencies must demonstrate certification as a 501(c) (3) designation from the IRS at the time of application. Many diverse projects may be eligible for funding, as long as the program meets the National Objectives and conform to all necessary documentation as required by HUD.

CDBG funds may be used for activities which include, but are not limited to:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes
- Public services, within certain limits
- Activities relating to energy conservation and renewable energy resources
- Provision of assistance to nonprofit and profit-motivated businesses to carry out economic development and job creation/retention activities

Each activity must meet one of the following national objectives for the program: 1.) benefit low- and moderate-income persons, 2.) prevention or elimination of slums or blight, or 3.) address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available. A need is considered urgent if it poses a serious and immediate threat to the health or welfare of the community and has arisen in

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the past 18 months. Limited declarations of state of emergency and evidence that no other funds are available must be documented.

Generally, the following types of activities are INELIGIBLE:

- Acquisition, construction, or reconstruction of buildings for the general conduct of government;
- Political activities
- Certain income payments
- Construction of new housing (with some exceptions)

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APPLICATION PROCESS

SUB-RECIPIENT ELIGIBILITY PROCESS

- Must submit a completed application with all related documentation
- Must fulfill one of the National Objectives
- Must do a presentation to the CDRS
- Must service people in the County in order to apply
- Non-Profit agencies serving individuals residing in the 37 municipalities are also eligible to apply for funding. Non-Profit agencies must possess a 501(c) (3) designation from the IRS at the time of application.
- The County will not provide CDBG assistance directly to individuals, families, businesses, through this process. Individuals and families may apply for housing rehabilitation funds and other program benefits supported by the CDBG program.
- Not less than 70 percent of CDBG funds must be used for activities that benefit very low, low and moderate-income persons in Morris County, regardless of the physical location of the non-profit.

HOW TO APPLY?

- Complete application with fulfillment of the CDBG application checklist items documentation and information as requested.
- Send in application by the deadline and no later.
- You can receive an application by calling, emailing, or visiting us and by acquiring it at: <http://morriscountynj.gov/hs/community/>
- A complete budget should detail the purpose for which Community Development funds will be expended. NOTE: If you are adding professional services under CDBG, then an RFP or an RFQ must be done. If the municipality is paying for the professional services, then an RFP or RFQ are not needed.
- Materials can be purchased from a consortium approved by the state, but not labor.
- All cost estimates should be derived from professional sources, and submitted with the application as an attachment. Cost estimates may be derived from architects, engineers, vendors, construction companies or appropriate personnel trained in cost estimation. Applicants must follow all Federal guidelines (inclusive of Federal procurement guidelines) and state contracting laws.
- Non-profit applications must include their certification of 501(c) (3) status, a copy of their annual 990, and a listing of the members of their Board of Directors or equivalent.
- Municipalities must include a resolution passed by the current governing body requesting or accepting the particular assistance from CDBG.
- Non-Profits require documentation whereby the application has been heard at a Public Hearing and the Mayor signs.

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- Non-profit organizations are defined as those that provide a benefit to low and moderate income persons without requirements for membership.
- HUD maps, detailing area where project will be taken place with detailed narrative as to how very low, low and moderate income people will be serviced with percentages and numbers of those who will be serviced.
- Your DUNS, FEIN and SAM's numbers must be listed on the application. These federal numbers are required for us to comply with federal reporting on a monthly, bi-annually, and annual basis.

APPLICATION REVIEW

MATCHING

- There is no matching requirement that is mandated with this grant. However, municipalities and organizations that show a vested financial interest (either actual or in kind) will be favored in the evaluation process, depending on the extent of the leveraged funds. There are many sources that can serve as leverage funding. Applications are encouraged to reach out to as many potential funding sources as possible, and coordinate with other local, county, state, and federal prospects.

APPLICATION REVIEW

- Once the applications are received, Community Development staff reviews the applications for eligibility. The applications are then distributed to the appropriate members of the CDRS sub-committee. On or about February of each year, the Office of Community Development will reach out to the applicants to schedule a time for them to make a presentation to the sub-committee, to further explain the proposal. Presentations should include a detailed explanation of the project. If PowerPoints are to be used, we must be notified in advance for proper set up. Please call the office in advance for set up.
- Following the initial hearing, the sub-committees meet and make recommendations to the Regional Coordinators and they make funding recommendations to the entire CDRS Committee. The CDRS Committee will vote preliminary allocations based on the recommendations of each sub-committee. A public hearing (advertised 10 days in advance) is conducted to review the preliminary funding allocations proposed by the CDRS Committee. After the public hearing, the full CDRS Committee votes the final recommendations which are then forwarded to the Freeholder Board for their approval. Upon Freeholder approval, the proposed project is submitted to the HUD field office for final approval. On or about September of each year, the approval is granted and the funding is allocated.

WHAT IS EXPECTED FROM SUB-RECIPIENT IF FUNDING IS APPROVED?

- Grant recipients are expected to comply with the rules and regulations as outlined in the grant agreement. Subrecipients must document that funds are primarily being used to benefit persons of very low, low and moderate income. This information must be submitted to the Office of Community

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Development. All updated CDBG rules and regulations as per the compliance package and the Engineers checklist must be adhered to for every single project.

- If receiving federal grant funds: Then all federal provisions and acts also apply, such as the Copeland Anti-Kickback Act, Executive orders 11246/11375, Section 3, MBE/WBE and EEO-Section 503, 504, 103, and 107.
- Each grant agreement will have an outlined scope of service. Expenditures must be aligned within that specific scope. If the project changes or the cost of specific parts of the project need to be adjusted, sub-recipients must make a request in writing to the Office of Community Development [PRIOR](#) to conducting any work outside of the purview of the scope submitted with the application and grant agreement.
- An updated actual budget must be submitted with the grant agreement.
- Contractors and subcontractors must submit [Attachment G](#) (from the compliance package to be cleared from federal and state debarred lists by the Office of Community Development). NOTE: contracts cannot be awarded until clearance occurs.
- All construction grant agreements must have a Pre-Construction meeting to be held with the Office of Community Development.
- Grant agreements are awarded for a program year period of 12 months beginning with July 1 and ending in June 30. All proposed projects must be completed within that time period. If projects are not completed within the program year, the subrecipient must request in writing an extension.
- All construction projects require a monthly update on construction and a quarterly report as outlined in the grant agreement. These reports are imperative to ensure each project is on schedule and is being run according to the contract agreement. No payment requests will be processed without the proper reports being submitted. A final direct benefits form must be submitted upon the completion of the project.
- This program is a reimbursement program. Requests for payment must be submitted with the back-up material such as invoices, receipts, and signed contracts supporting the funds that are being requested and as proof of payment to the vendor or contractor. Once the payment request is received, it is reviewed by the Office of Community Development staff to ensure that the request fits within the parameter of the contract and that the work has been completed as inspected by the County Office of Planning and Public Works. Payment requests should be made in a timely manner.
- It pays to mention that in order for the project file to be closed, an audit detailing the federal grant funding under the Office of Community Development must be rendered for when expenditures occurred. In other words, the expenditures for HUD are when the County of Morris provides a check to the subrecipients and thereafter, the subrecipient cashes the check. Please note that the audit for HUD does not reflect when the grant was approved or when you expended your own funds. HUD is concerned when the funds were expended by us to reimburse you for the approved project. The Office of Community Development must demonstrate that when the funds were disbursed, an audit can detail the information for the file to be closed. Monitoring occurs for 5 years after the grant is closed. All documentation from the file must also be kept for 5 years by the subrecipient.

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Grant agreement, Project Year and Requirements

BIDDING FOR PROFESSIONAL SERVICES (RFP/RFQ) AND FOR CONTRACTORS

1. All professional services (i.e. engineer or architect) paid for by CDBG funds must be competitively procured as per HUD regulations. If not paid by CDBG, then you can use your existing contracted engineering or architectural firm to proceed with the project.
2. We can provide an award letter upon submission of the project to HUD so that you can proceed with local bonding for the professional services earlier in the process.
3. Since most projects are more than the CDBG budget, we expect that we can pay for more of the project cost and the municipality can pay for engineering or architectural.
4. A letter stating that the award will be made at the time of submission of the grant application to HUD will only allow the architect or engineer to draft the plans and specifications and put together the bid package for our review and publishing. The municipality cannot award a contract, until you have received the fully executed grant agreement from the County;
5. Engineering or architect may begin their preparatory work at the same time as the environmental review is occurring, so that by January you are ready to bid the project in the spring;
6. The expedited schedule will allow your engineer to obtain any needed permits prior to receipt of the grant contract and remove another impediment to the completion of your project within the program year.
7. Notice to Bidders must contain this language: Wage determinations established under the Davis-Bacon Act will apply to this contract. The contract documents contain requirements addressing prevailing labor wage rates, labor standards, nondiscrimination in hiring practices, goals for minority and female participation, MBE and WBE participation, *(include if the project cost is more than \$100,000: participation by Section 3 resident and businesses)*, and related matters.
8. NOTE: NJ law requires that the contractor pay the HIGHER of State prevailing wages or Davis-Bacon, for each class of worker (in the Bid package only Davis-Bacon is put out for publication, once the contract is awarded, the contractor must look at both lists and choose the highest).
9. The MBE/WBE Solicitation form MUST be completed and submitted with the bid. Failure to include this form in the bid will be grounds to disqualify a bid. If the Contractor does not intend to use a subcontractor and there are no MBE/WBE material providers in the area, the form must so indicate. Otherwise, attempts to contact MBE/WBE subcontractors and material providers must be documented. MBE/WBE lists can be obtained from the State of New Jersey website:
<http://www.state.nj.us/transportation/business/civilrights/dbe.shtm>
10. Bonds must be obtained from companies listed in OMB Circular 570.
http://www.fms.treas.gov/c570/c570_a-z.html#n
11. NEVER bid or start construction on a project before receiving an executed grant agreement for the CDBG grant funds from Morris County Office of Community Development.
12. All Bid documents shall be reviewed by Morris County Office of Community Development before being bid to determine that the above referenced material is contained in the bid documents.
13. A bid schedule shall be provided to Morris County Office of Community Development indicating the anticipated date of bid opening.
14. Municipalities shall make every effort to solicit bids from MBE/WBE construction contractors. At a minimum, the notice of the bid shall be mailed to a list of MBE/WBE firms drawn from the State of New Jersey listings. A copy of this listing will be provided to Morris County Office of Community Development.

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15. If only one bid is received, the municipality must contact Morris County Office of Community Development immediately and table the bid. Generally, awards to a single bidder are not permitted and require US HUD approval. We recommend extending the time to receive bids, contacting potential bidders to obtain additional bids or determining why the bid only attracted one bidder. If the scope is found to be too restrictive, then a modification will be required. Morris County Office of Community Development must submit a request to US HUD for an exception only if changing the conditions of bidding would not result in a different outcome and the municipal solicitor provides a written opinion that all of the procurement requirements under HUD and State of New Jersey and all federal law have been met.
16. If wage rates change within 5 working days of the bid opening date, a bid addendum must be issued reflecting the new wage rates for the job.
17. Once bids are received, the Bid Tabulation must be sent along with the low bidder's documentation to Morris County Office of Community Development.
18. The engineer shall review the bids and make a recommendation indicating bid reasonableness. A copy shall be provided to Morris County Office of Community Development
19. The low bidders shall be verified for eligibility to participate in a federal contract using [Attachment G](#) www.SAM.gov –we will check federal and state lists. The resulting printout shall be sent by Morris County Office of Community Development.
20. The municipality must submit the Resolution Authorizing the Bid Award to Morris County Office of Community Development.
21. A copy of the legal notice posted in the newspapers and in other mediums must be submitted to Morris County Office of Community Development.
22. A representative of Morris County Office of Community Development **must** attend the pre-construction conference.
23. All required forms must be signed before a proceed- to-work order is provided, including Section 3 required forms, if applicable.
24. A copy of the Contract and Notice to proceed must be provided to Morris County Office of Community Development
25. The Contractor must provide a copy of the certified payroll detailing the fringe benefits paid on behalf of workers on the job.
26. The contractor must provide weekly payrolls not less than 2 weeks after completion of each work week. Payrolls should be numbered 1, 2, 3 and FINAL and include statements of “no-work week” should there be gaps between weeks. Job classifications must indicate the federal wage decision classification, not the union classification.
27. On-site interviews of workers must be completed. The engineer shall notify Morris County Office of Community Development when the contractor is planning to be on-site (preferably with several days' notice) so that a visit can be scheduled.
28. Any deficiencies between wages paid to workers plus fringe contribution and the federal Davis-Bacon wage rate must be corrected before the Morris County Office of Community Development issues payment. Municipalities should consider this before issuing payment.

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FUNDING CYCLE

- Grant agreements are awarded for a program year period of 12 months beginning with July 1 and ending in June 30. All proposed projects must be completed within that time period. If projects are not completed within the program year, the subrecipient must request an extension.
- Morris County Office of Community Development may make partial payments during the project or a single final payment may be made. The invoice to Morris County Office of Community Development **must** be made by the municipality, on municipal letterhead, and supported by documentation by the engineer that the work is completed and acceptable.
- An Environmental Review Record will be completed for each activity. The grant agreement will be provided upon its completion and the date for completion of the ERR date is when the 12-month period commences for the CDBG timeframe.

SPECIFICATION PACKAGE FOR PROFESSIONAL SERVICES AND CONTRACTORS

All State of New Jersey bid laws and federal procurement regulations cited at 2 CFR Part 200. 317-343 (effective December 26, 2014)

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- (1)** Placing unreasonable requirements on firms in order for them to qualify to do business;
- (2)** Requiring unnecessary experience and excessive bonding;
- (3)** Noncompetitive pricing practices between firms or between affiliated companies;
- (4)** Noncompetitive contracts to consultants that are on retainer contracts;
- (5)** Organizational conflicts of interest;
- (6)** Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- (7)** Any arbitrary action in the procurement process.

(b) The non-Federal entity (subrecipient) must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(c) The non-Federal entity (subrecipient) must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

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(1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

(2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(d) The non-Federal entity (subrecipient) must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity (subrecipient) must not preclude potential bidders from qualifying during the solicitation period.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

BONDING REQUIREMENTS: Section 200.325 permits the Federal agency to accept the recipient’s bonding policy and requirements if the Federal agency has determined that the Federal interest is adequately protected, and if not, the minimum requirements (abbreviated) are as follows:

- a. A Bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified. (Note: State of NJ requires ten percent of the bid price).
- b. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.
- c. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.
- d. Bonding companies must be listed in OMB Circular 570, not just State of NJ.

SMALL AND MINORITY AND WOMEN’S BUSINESS ENTERPRISES

In order to comply with applicable Federal requirements, subgrantees and prime contractors should take all the necessary affirmative steps to assure that minority firms and women’s business enterprises and labor surplus area firms are used to the maximum extent possible. The steps shall include:

- Placing qualified small and minority and women’s business enterprises on solicitation lists.
- Assuring that small and minority businesses and women’s business enterprises are solicited whenever they are potential sources.

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- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises.
- Establishing delivery schedules, where the requirements permit, which will encourage participation by small and minority businesses and women's business enterprises.
- Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce. This office will provide a New Jersey Commerce list of certified Women and Minority owned companies for your use based on the crafts indicated on you wage request form.
- Requiring the prime contractor, if sub-contracts are to be let, to take the affirmative steps as outlined in this entire section.

WHAT IS THE DAVIS-BACON ACT?

- Applies to all construction over \$2000. Dividing up a project into separate contracts for purposes of avoiding Davis Bacon wages is not permitted.
- Employee rights for laborers and mechanics employed on Federal or Federally assisted construction project. Must pay not less than the wage rate listed in the Davis-Bacon Wage Decision.
- Must be paid not less than one and one-half times the basic rate of pay for all hours worked over 40 in a work week.
- Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.
- Apprentice rates apply only to apprentices properly registered under approved Federal and State apprenticeship programs.

WHAT IS HUD'S SECTION 3?

- Section 3 of the Housing and Urban Development Act of 1968 (Section 3) ensures that HUD-funded jobs, training, and contracts are provided to local low-income residents, particularly those that reside in public housing, and businesses that substantially employ them.
- Projects and Contracts over \$100,000 must contain Section 3 language:
- Each bidder/proposer must include a Section 3 Opportunities Plan which indicates its commitment to meet resident hiring requirements. If a bidder/proposer fails to submit a Section 3 Opportunities Plan and the related data along with the bid/proposal, such bid/proposal will be declared as "non-responsive."
- A guarantee on low or very low income residents to the greatest extent feasible a chance to work on Federal HUD-funded projects.

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COVERED ACTIVITIES:

- Housing Rehab, new construction, utility serv. Conduits
- Other public construction, such as street repair, sewage line repair or installation-sidewalk repairs
- Section 3 covered non-construction projects include maintenance contracts, including lawn care, re-painting, routine maintenance, HVAC servicing, and professional service contracts associated with construction (ex.: architectural, engineering, legal services, accounting, marketing, etc.).
Maintenance not CDBG eligible!
- In conformance with the requirements of ***Section 3 of the Housing and Community Development Act of 1968***, to the greatest extent feasible, subrecipients with construction and rehabilitation projects funded by HUD and of \$100,000 or more award contracts (contractors and subcontractors included).
- must outreach for work to be performed to eligible ***business concerns located in or owned by residents of the target area*** to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of governmental assistance for housing
- However, those projects which total more than \$100,000 in overall expenses, and despite getting less than \$100,000 from CDBG funds, will also be covered under Section 3. Also, any SINGLE contract in excess of \$100,000 is subject to Section 3 REGARDLESS of the amount of CDBG funds.

A Section 3 business is one that is:

1. 51% or more owned by residents of public housing or persons whose income does not exceed HUD's local area low-income limits (i.e. Section 3 residents); or
2. Comprised of 30% or more full-time employees who are Section 3 residents*; or
3. Able to provide evidence of a firm commitment to award 25% or more of sub-contracts to businesses that meet 1 or 2.

* Low income (80% or below the median income for Morris County) or Very Low at 50% or below the median income for Morris County residents residing in the service area or neighborhood in which the Section 3 project is located. Participants in HUD Youthbuild programs, and other low income residents (including public housing residents).

Municipalities and Contractors must comply with:

- MBE-Minority Business Enterprise
- WBE-Woman Business Enterprise
- SBE-Small Business Enterprise

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- DBE-Disadvantaged Business Enterprise
- ESBE-Emerging Small Business Enterprise
- For subcontractors and materials
- Must be registered and on directory
- See solicitation form provided
- Davis-Bacon Wage rates change-expire within 180 days and can change within 5 working days of opening bid. A new wage rate for project will be issued and a bid addendum must be provided to all potential bidders.

OTHER HUD REQUIREMENTS

- In order to inform residents of the County of Morris where Federal tax dollars are being spent in the County, please erect a sign on the site, in a location most visible to the public stating “Funds for this project are provided from the Morris County Office of Community Development Block Grant Program.”
- To receive reimbursement of activity of costs: you need to submit a detailed voucher with supporting documentation such as: 1. Certified weekly payrolls, 2. Progress payment worksheet 3. AIA documents or equivalent, 4. Contractors’ invoices, 5. Signed contracts 6. Monthly and Quarterly reports

HUD SECTION 8 INCOME LIMITS FOR CDBG 2017 NEWARK, NJ EFFECTIVE MARCH 2016

FAM SIZE	EXT. LOW INCOME	VERY LOW INCOME	LOW INCOME
1	\$19,800	\$33,000	\$47,600
2	\$22,600	\$37,700	\$54,400
3	\$25,450	\$42,400	\$61,200
4	\$28,250	\$47,100	\$68,000
5	\$30,550	\$50,900	\$73,450
6	\$32,960	\$54,650	\$78,900
7	\$37,140	\$58,450	\$84,350
8	\$41,320	\$62,200	\$89,800

HOUSING REHABILITATION LOAN/GRANT APPLICATION DOCUMENTS NEEDED

This program assists owners in the rehabilitation of owner-occupied housing. To apply, homeowners must provide the following:

1. Complete Application inclusive of all sections, sign and date
2. Deed
3. Property tax bill, most recent
4. Income Tax Return, Federal and State of previous year

COMMUNITY DEVELOPMENT BLOCK GRANT

5. Bank Statements
6. Pay Stubs-2 most recent from all household members
7. Stocks, bonds, mutual funds, 401K, 403B Cash value and interest and dividends
8. Social Security Award letter
9. Pension Award letter
10. Any earned or unearned income, child support, alimony, unemployment, food stamps, welfare, TANF, AFDC, rental income from tenants
11. Mortgage monthly statement
12. Reverse mortgage monthly statement
13. All household member income must be reported
14. There is a 6-year lien on property for a loan borrowed from \$1,000 to \$5,000
15. There is a 10-year lien on property for a loan borrowed from \$5,000 to \$15,000
16. All loans are payable upon the sale of the property.
17. Tax Bill and Mortgages must be current-if late or owing 2 or more months, then the application is disqualified.

Example of Eligible Activities are:

- a. Roofs
- b. Wells
- c. Boilers
- d. Steps
- e. Repair or replacement of major housing systems
- f. General property repair that is of non-luxury nature
- g. Site repairs and utility connections
- h. All activities will be reviewed and inspected before an application can be submitted
- i. Loans cannot be used to repair a house to ready it for sale
- j. The occupants must live in the house during the entire period of the loan

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TIME TABLE*

ACTIVITY	TIMING
Application available	October 12, 2016
Orientation Meeting	October 20, 2016
Public Hearing & CDRS Meeting	October 20, 2016
Technical Assistance	October 21-December 15, 2016
Applications Due for review	December 16, 2016
Staff Reviews	December 19-February 10, 2016
Final complete Application submission	December 30, 2016
Evening presentations	February 27 and 28, 2017
Regional Coordinator Meeting	March 8, 2017
Publish recommended funding	March 29, 2017
*Public Hearing	April 20, 2017
Freeholder's Meeting to approve plan	May 11, 2017
Five Year Plan and Annual Action Plan Submitted to HUD	May 19, 2017
Anticipated HUD Award	July-September 2017
Legal Notice published for CAPER	1 st Week of September with 15 Day Comment Period
90 Days After Close of Program Year, CAPER is due	End of September

- All dates are tentative and may change with notice

*-Public Hearing is at 5:30 p.m. for the Annual Action Plan-Freeholders Public Meeting Room Location TBD.

CDRS Meeting is at 6:00 p.m.-To approve Activity List-Freeholders Public Meeting Room-Location TBD.

COMMUNITY DEVELOPMENT BLOCK GRANT



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