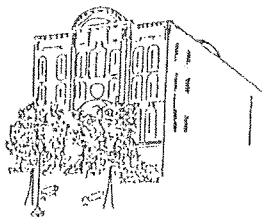


CITY OF SARATOGA SPRINGS

OFFICE OF COMMUNITY DEVELOPMENT

City Hall - 474 Broadway
Saratoga Springs, New York 12866
Tel: 518-587-3550 x.2575 fax: 518-580-9480
http://www.saratoga-springs.org/cd

EQUAL HOUSING OPPORTUNITY

- APPLICATION INFORMATION PACKET -

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM
2012 PROGRAM YEAR

The Saratoga Springs Office of Community Development is now seeking applications for funding under the Community Development Block Grant (CDBG) Entitlement Program for the 2012 Program Year (1 July 2012 – 30 June 2013).

PROGRAM OBJECTIVE: The objective of this program, funded by the U.S. Department of Housing and Urban Development (HUD), is to assist the development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities principally for persons of low- and moderate-income within the City of Saratoga Springs.

ELIGIBLE ACTIVITIES: Eligible activities will address community development needs as prioritized in the City's 2010 Consolidated Plan and may include affordable housing acquisition, construction and rehabilitation; economic development and job creation; public facility and infrastructure improvements; public services and other federally eligible activities.

AVAILABLE FUNDS: Approximately $ 300,000

APPLICATION DEADLINE: Completed applications with all necessary information and copies may be submitted to the Office of Community Development, City Hall – 474 Broadway, Saratoga Springs, New York 12866, no later than 4:30 PM on Friday, 27 January 2012.

REQUIRED COPIES: 1 original, plus 1 electronic version in ".pdf" format (Please contact us for assistance, if necessary)

PUBLIC HEARINGS: All applicants are strongly encouraged to speak on behalf of their proposal at one of the two Public Hearings scheduled below. Persons wishing to speak may sign in at 5:45 PM and speakers will appear in the order in which they sign up.

Public Hearing #1 Monday, January 30, 6:00 PM (5:45 sign-in)
City Council Room, City Hall, Saratoga Springs, NY 12866

Public Hearing #2 Thursday, February 2, 6:00 PM (5:45 sign-in)
Saratoga Springs Recreation Center
15 Vanderbilt Avenue, Saratoga Springs, NY 12866

FOR INFORMATION, PLEASE CONTACT: Saratoga Springs Office of Community Development
City Hall - 474 Broadway
Saratoga Springs, New York 12866
(518) 587-3550 Ext. 2575

2012 Program Year Anticipated Schedule of Events

December 5th - Monday	- 2012 Entitlement funding applications and information packets available
January 27 - Friday	- Application deadline (due no later than 4:30 PM)
January 30 - Monday	- Public Hearing #1: City Hall - 474 Broadway 6:00 PM (sign-in at 5:45 PM)
February 2 - Thursday	- Public Hearing #2: Saratoga Springs Recreation Center, 15 Vanderbilt Avenue 6:00 PM (sign-in at 5:45 PM)
March 6 - Tuesday	- Present recommended 2012 Entitlement Plan to City Council
March 7 - April 6	- Comment period for recommended 2012 Entitlement Action to Plan
March 20 - Tuesday	- Public Hearing on recommended 2012 Entitlement Plan
April 17 - Tuesday	- City Council vote on final 2012 Entitlement Plan
May 7 – Monday	- Submission of 2012 Entitlement Action Plan to HUD-Buffalo
July 1 – Sunday	- 2012 Entitlement Program Year Begins
September to October 2012	- Anticipated receipt of HUD Grant Agreement and Release of Funds

Income and Rent Guidelines

Income Guidelines

The following guidelines represent income limits by household size and maximum annual income as determined by HUD, effective June 2011, for assistance under the Community Development Block Grant program.

"Low Income"		"Moderate Income"	
Household Size	Maximum Annual Income	Household Size	Maximum Annual Income
1 person	$ 26,950	1 person	$ 43,150
2 persons	30,800	2 persons	49,300
3 persons	34,650	3 persons	55,450
4 persons	38,500	4 persons	61,600
5 persons	41,600	5 persons	66,550
6 persons	44,700	6 persons	71,500
7 persons	47,750	7 persons	76,400
8 or more persons	50,850	8 or more persons	81,350

Affordable Rent Guidelines

The following rent guidelines are for use in developing your proposal. These rates were established using local Fair Market Rents (FMR), developed by the U.S. Dept. of HUD.

	Maximum Rent	Maximum Rent without Utilities	
	Including Utilities	Electric	Gas
1 bedroom	$737	$607	$637
2 bedrooms	$900	$770	$800
3 bedrooms	$1,077	$947	$977
4 bedrooms	$1,177	$1,047	$1,077

APPLICATION FOR

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM

— 2012 Program Year Funding—

ACTIVITY NAME: _____

APPLICANT: _____

MAILING ADDRESS: _____

_____ Zip: _____

PHONE: _____ FAX: _____ EMAIL: _____

CONTACT PERSON: _____ TITLE: _____

APPLICANT (*select 1*): ❑City Department _____ (List Dept.) ❑Private non-profit organization _____ (List Federal ID #) ❑Other Public Agency _____ (Specify)

_____ (DUNS #)

NATIONAL OBJECTIVE (*select 1*):

"Benefit persons of Low/moderate income"
- ❑ L/M Income Area Benefit
- ❑ L/M Income Limited Clientele Activities
- ❑ L/M Income Housing Activities
- ❑ L/M Income Job Creation/Retention

"Address slum/blight Conditions"
- *"N/A"* Slum/blighted Area
- ❑ Slum/blighted Spot Basis
- *"N/A"* Urban Renewal Completion

"Urgent CD Need"
- *"N/A"* Urgent Need

REQUESTED ENTITLEMENT FUNDING: $_____

Funding Leveraged from Other Sources: $_____

Total Activity Cost: $_____

Proposal Abstract - please provide a *brief* overview of your proposal *including the number of persons that will be served* with this grant in the space below:

_____ (Authorized Signature)

_____ (Title)

_____ (Typed or Printed Name)

_____ (Date)

Please respond in writing to each of the following (add additional pages as necessary):

1. Activity Description

Provide a detailed description of your proposed activity. In this description, provide responses to the following items:

A) Identify whether the activity is new, ongoing, or expanded from previous years.

B) Describe the community need that your activity is intended to address and how your activity will address that need. Provide evidence that this need is currently not being addressed through existing programs or activities.

C) Identify who will benefit from the proposed activity. If the activity is designed to benefit:
   C-1) individual persons of low- to moderate-income, describe the process you will use to identify these persons and determine their income eligibility and the number of persons you expect to serve.
   C-2) the inhabitants of a predominantly low-moderate income area, identify the Census Block Group in which the activity is located.
   C-3) designed to benefit a low-moderate income "limited clientele", identify the "limited clientele" group.

D) Identify your performance goals and the types of indicators you will use to document activity accomplishments and success. *(Examples should include: # of persons with new/improved access to services, # of affordable houses rehabilitated, etc.)*

E) Provide an activity timeframe/schedule (include start, completion dates, and other significant performance stages).

F) Identify whether the activity requires additional local, state or federal approval (license, permit, design/historic/environmental review, etc.). For construction/site development projects, provide evidence of site control.

2. Organizational Capacity

A) Provide an overview of your organization including length of time in existence. List current officers and board members and identify any prior funding by the City of Saratoga Springs (year, activity, and amount).

B) Describe your organization's experience in successfully conducting this type of activity. Identify any skills, current services, or special accomplishments that demonstrate your capacity for success.

C) Identify the person(s) responsible for program and financial management of the activity. Identify all other persons involved in this activity noting whether these positions are current or new, pending this award. For construction/site development projects, identify the development team including proposed contractors, subcontractors, and project manager.

D) Identify any other agencies/partners involved in this activity and define their roles and responsibilities.

3. Activity Budget - (Attachments 1, 2)

A) Include attached budgets (Attachments 1, 2) as appropriate. Depending on the activity, the applicant may need to submit one or both of the attached budget forms. More detailed budgets may be attached (and are recommended) in support of the proposal. If an architect, engineer, or other personnel have conducted a cost analysis, attach a copy noting the author and date of analysis.

- Program Operating Budget (Attachment 1) - for all proposals including public service projects and construction/site development projects

- Construction/Site Development Budget (Attachment 2) - for construction/site development projects

B) Identify the amount and sources of leveraged funding for this activity. Include the status of these funds (i.e. cash on hand, grants received, planned fund-raising, etc.). Attach copies of funding commitment letters or other evidence of funding support.

4. Monitoring of Federal Financial Assistance to Subrecipients - (Attachment 3)

The City of Saratoga Springs is responsible for ensuring that subrecipients expend awards in accordance with applicable laws, regulations, and provisions of contracts and grant.

A) In accordance with OMB Circular A-133, please complete Attachment 3 and include it with your application.

B) During your last fiscal year, if your organization expended more than $500,000 in total federal financial awards (including CDBG and all other federal assistance), please include a copy of your latest Single Audit Report with this application.

(ATTACHMENT I)

PROGRAM OPERATING BUDGET

(Entitlement Grant + Leveraged Funds = Total Activity Cost)

	ENTITLEMENT GRANT	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
PERSONNEL				
Salaries				
Fringe				
Other (consultants, etc.)				
Subtotal				
OVERHEAD				
Advertising/Marketing				
Program Supplies				
Rent & Utilities				
Other – list below				
Subtotal				
TOTAL COST				

(ATTACHMENT 2)

CONSTRUCTION / SITE DEVELOPMENT BUDGET

(Entitlement Grant + Leveraged Funds = Total Activity Cost)

	ENTITLEMENT GRANT	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
PRECONSTRUCTION				
Legal				
Engineering				
Architectural/Design				
Fees and Permits				
Subtotal				
DEVELOPMENT				
Relocation				
Site Preparation				
Construction - materials				
Construction - labor				
Construction Financing				
Other - (explain)				
Subtotal				
TOTAL COST				

(ATTACHMENT 3)

OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133
MONITORING OF FEDERAL FINANCIAL ASSISTANCE TO SUBRECIPIENTS

ORGANIZATION: _____

MAILING ADDRESS: _____

FEDERAL ID #: _____ PHONE: _____ FAX: _____

DUNS #: _____

1. Please identify your fiscal year (mth/yr to mth/yr): _____

Please identify below the funding received during your last fiscal year:

2. Community Development Block Grant Entitlement Funding (CDBG):

CDBG Activity Name: _____

CDBG Funding Program Year: _____ CDBG Funding Amount: _____

3. Other Federal Financial Awards (cash & non-cash):

GIVE NAME & CATALOG OF FEDERAL FINANCIAL ASSISTANCE (CFDA) #	AMOUNT OF AWARDS
_____	_____
_____	_____
_____	_____

4. During your last fiscal year, has your organization expended more than $500,000 in <u>total</u> <u>federal</u> financial awards (incl. CDBG & <u>all</u> other federal assistance)? YES * _____ NO _____

* If "yes", include a copy of your latest Single Audit Report with this completed and signed form as part of your application. If you answered "no", please complete, sign and return this form.

5. Are you aware of any financial audit violations, findings or questioned costs relating to any activity funded with federal financial assistance? YES * _____ NO _____

* If "yes", please describe: _____

_____

_____

_____

_____

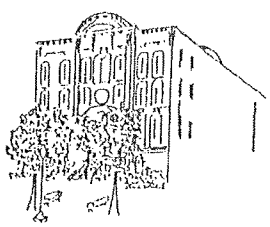
6. Other Saratoga County Awards (cash & non-cash):

IDENTIFY PROGRAM NAME & YEAR OF AWARD	IDENTIFY AMOUNT OF CO. AWARDS
_____	_____
_____	_____
_____	_____
_____	_____

_____ _____

Authorized Signature Date

A GUIDE TO THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM



City of Saratoga Springs

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EQUAL HOUSING OPPORTUNITY

The City of Saratoga Springs does not discriminate on the basis of age, race, color, gender, religion, handicap, sexual orientation, familial status or national origin in employment or the provision of services.

12/11

INTRODUCTION TO CDBG

PURPOSE OF THIS GUIDE

The purpose of this guide is to assist applicants to design projects that meet the federal requirements and local priorities of the Saratoga Springs Community Development Block Grant (CDBG) Entitlement program. Topics include:

- Eligible applicants for CDBG funds
- Description of eligible activities
- Description of ineligible activities
- Meeting a national objective in the CDBG program
- Other CDBG and local regulations of importance in designing eligible projects

GOAL OF THE CDBG PROGRAM

The Community Development Block Grant (CDBG) program was created by passage of the Housing and Community Development Act of 1974. It combined into a single grant a number of previous grant programs administered by the US Department of Housing and Urban Development (HUD) including Urban Renewal, Model Cities, Open Space, and Water and Sewer. The block grant allows a more flexible approach to Community Development.

The goal of the CDBG program is to develop viable urban communities through:

- housing
- economic development
- elimination of slums and blight
- expansion of community services
- neighborhood revitalization

As a participant in the "Entitlement" branch of the CDBG program, the City of Saratoga Springs receives an annual allocation of federal funds based on a formula that takes into consideration total population, population change, age and condition of housing stock, and poverty. The direction, focus and design of the community development program is determined by the local community within guidelines provided by CDBG regulations. The CDBG program is administered locally by the Saratoga Springs Office of Community Development in room 10 of City Hall.

LOW AND MODERATE INCOME BENEFIT

The primary objective of the CDBG program is to benefit persons of low and moderate income.

By federal regulation, the City must allocate at least 70% of its annual CDBG funding on activities that benefit persons of low and moderate income, households, and neighborhoods.

"Low and moderate income" is a specific financial description referring to income guidelines determined by HUD. These income guidelines take into consideration total household size and the annual income for all persons in the household. Current income guidelines for use in the development of programs can be found below:

MAXIMUM ANNUAL HOUSEHOLD INCOME

Household Size	LOW INCOME	MODERATE INCOME
1 person	$ 26,950	$ 43,150
2 persons	30,800	49,300
3 persons	34,650	55,450
4 persons	38,500	61,600
5 persons	41,600	66,550
6 persons	44,700	71,500
7 persons	47,750	76,400
8 or more persons	50,850	81,350

CDBG REGULATIONS

It must be stressed that this guide is a summary; actual regulations may be found in the Code of Federal Regulations (CFR) in volume 24 (Housing and Urban Development), Part 570 (Community Development Block Grants). Throughout this guide, citations are provided so that the regulations may be referenced for more information.

Citation: [570.204(c)] means:

- Part 570 of volume 24 CFR
- Section 204
- Paragraph c

The City's Community Development staff can provide copies of the regulations and technical assistance to applicants to help develop eligible projects.

ENTITLEMENT FUNDING CYCLE

- APPLICATIONS FOR ENTITLEMENT FUNDING (DEC. TO JAN.)

Application materials are available in December with the application due at the end of January. During the application stage, community development staff is available to provide technical assistance to assist in the development of an application for CDBG funding.

- PUBLIC HEARINGS (JAN. TO MARCH)

The City of Saratoga Springs holds at least three public hearings each year for public comment on the Annual Action Plan and proposed funding applications. Comments and proposals relating to the Entitlement program may be submitted at any time during the program year to the Office of Community Development.

Applicants seeking funding are encouraged to speak in support of their proposals at one of the two scheduled public hearings in January/February. A third hearing is scheduled in March for comment on the Citizen Advisory Committee's recommendations to the City Council.

- PROJECT SELECTION (FEB. TO MAY)

The Community Development Citizen Advisory Committee reviews all submitted applications for adherence to HUD eligibility requirements and examines them with respect to the prioritized needs outlined in the City's Consolidated Plan. The Committee then offers its recommendations to the City Council for its approval (March).

The recommended slate of projects is published in *The Saratogian* and placed on display in the Saratoga Springs Public Library for a 30-day review and comment period. Following the 30-day public comment period (March-April), the Council votes on the annual slate of activities and submits the final plan to the US Dept. of Housing and Urban Development for their approval (May).

- ENVIRONMENTAL REVIEW (MAY TO JUNE)

All Entitlement funded projects are subject to the National Environmental Policy Act of 1969 that requires a review for impact regarding flood plain, noise, historic preservation, hazardous waste and other potential environmental impacts. The results of this assessment are summarized and published in *The Saratogian* with a 15-day period for public review and comment. The results are then sent to HUD and subject to another 15-day public comment period. HUD must approve the City's environmental impact submission before funds may be expended on projects listed in the Final Statement.

- HUD APPROVAL (JUNE TO AUG.)

After a period of review, HUD forwards a Grant Agreement to the City for execution by the Mayor. HUD also forwards a Release of Funds which means that the environmental review is complete and that the City of Saratoga Springs can begin using the funds.

- AMENDMENTS TO ACTION PLAN

An official amendment to the year's Action Plan is required whenever an activity is added, eliminated, or substantially changed from the Plan previously approved by HUD. The amendment, once approved by the City Council, is published in *The Saratogian* and the public is provided with a 30-day public comment period before submittal to HUD.

- CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

The Consolidated Annual Performance and Evaluation Report (CAPER) is a statistical and narrative summary of the City's performance during the program year that identifies how Entitlement funds were expended. The report must be submitted to HUD within 90 days from the end of the program year (by September 30). The public is notified in *The Saratogian* of a 15-day public comment period immediately preceding the submission of the CAPER to HUD.

CONSOLIDATED PLAN AND ENTITLEMENT ACTION PLAN

By law, the City is required to have a Consolidated Plan approved by HUD. The Consolidated Plan identifies the City's housing and community development needs and presents a Strategic Plan establishing the City's housing and community development priorities for a 5-year period. Each year, the City solicits applications from organizations seeking funding for activities designed to address these priorities.

The "Community Development Citizen Advisory Committee" reviews all applications for eligibility and examines them with respect to the prioritized needs of the City's Consolidated Plan. The Committee then offers its recommendations (the annual Entitlement Action Plan) to the City Council for approval.

The 2010 Consolidated Plan for the City of Saratoga Springs is available for review at the Office of Community Development, City Hall – 474 Broadway, the Saratoga Springs Public Library, the Saratoga Springs Housing Authority and the City's website @

www.saratoga-springs.org/cd. A complete set of HUD regulations is also available for review in the Office of Community Development.

STRATEGIC PLAN PRIORITIES

The Strategic Plan identifies the City's "philosophy of investment" for CDBG funding and presents the priority housing and non-housing community development needs.

PHILOSOPHY OF INVESTMENT

It is the City's intent to encourage collaboration among the private sector, the non-profit community, and local government to promote and fund activities that meet the needs identified in this Strategic Plan.

GUIDING PRINCIPLES

- The highest funding priority is for activities that address the "continuum" of housing needs from homelessness prevention to the creation of new affordable housing.
- Activities that assist the most vulnerable of our population such as at-risk youth, seniors and the special needs population are also considered high funding priorities.
- Activities addressing "High Priority" needs have the greatest opportunity for funding; "Medium Priority" activities may be funded but must show substantial leveraged funding

Successful applicants for Entitlement Action Plan funding will:

- specifically respond to the priority needs identified in this Plan
- identify specific accomplishments to gauge project success
- include, on average, at least 20% of funding leveraged from other resources

PRIORITY HOUSING NEEDS

HOMELESS FACILITIES AND SERVICES

There is a continuing need for supportive services and a continuum of affordable housing options to promote a successful transition from homelessness to stable productive living environments.

High Priority:

- affordable housing for previously homeless individuals and families with children
- Emergency shelter and transitional housing facilities for youth and families with children
- Supportive services including homelessness prevention/intervention, job/ life skills training, housing placement, case management, etc.

HOUSING NEEDS

The City will continue to pursue and support collaborative efforts to develop additional affordable housing. In the absence of new affordable construction, the City will place a high priority on the reconstruction and rehabilitation of existing housing to revitalize neighborhoods, maintain affordability, and reintroduce decent affordable units into the City's housing stock.

Affordable housing construction and rehabilitation should occur via a "whole-site approach" with attention to site location and layout, façade design, pedestrian movement and accessibility, adequate infrastructure provision, and a sensitivity to historic preservation.

High Priority:

- Creation of affordable rental units especially for persons with disabilities, larger households, and the elderly
- Creation of transitional units with related support services for homeless individuals and families to transition from temporary to permanent housing
- Creation of new permanent housing that is affordable and available to our residents and workforce.
- Rehabilitation of existing housing to:
  - Improve code compliance, safety and energy efficiency of substandard housing
  - Maintain affordability for elderly and other fixed-income households
  - Accomplish more substantial and "whole-site" improvements
  - Address lead-based paint hazards and accessibility needs

PRIORITY NON-HOUSING NEEDS

Non-housing community development activities are integral in promoting a sound living environment and encouraging expanded economic opportunities for persons of low and moderate income.

INFRASTRUCTURE

Medium priority:

- Targeted infrastructure projects that focus on a discrete area with a combination of

improvements including water, sewer storm water curbing, sidewalks, lighting and streetscape enhancements.

ECONOMIC DEVELOPMENT

Medium priority:

- Expansion of City Economic Development Revolving Loan program to actively promote employment opportunities for persons of low and moderate income

PLANNING

Medium priority:

- Expansion of technical assistance provision and program coordination for focused "neighborhood" revitalization efforts

PRIORITY PUBLIC SERVICE NEEDS

Although limited to an annual statutory funding cap, public service activities complement housing and non-housing community development activities in developing and promoting a sound living environment.

High priority:

- Programs to prevent homelessness and a promote successful transition from temporary housing to stable, productive living environments
- Programs that address the safety, education, and social needs of eligible youth and the elderly.
- Programs to address the needs of public housing residents

DEVELOPING ELIGIBLE PROJECTS

This section of the Guide explains the steps to determine if a project is eligible for CDBG funds. Entitlement funding eligibility is determined by a **3-step** process:

1. **The applicant must be eligible,**
2. **The activity must be eligible, and**
3. **The activity must meet a national objective**

The rules for determining project eligibility are located in the Federal CDBG regulations at 24 CFR Part 570.

STEP 1: ELIGIBLE APPLICANT

Applicants for CDBG funds must be eligible to administer the project or program. Eligible project administrators include:

- **Community Development staff**
- **City of Saratoga Springs Departments**
- **Other public agencies**
- **Private non-profit organizations**

Although private citizens may propose a community development activity, only the four specified groups may administer CDBG funded activities. Private individuals or businesses may be the recipients of CDBG funds through an eligible project administrator in cases such as loans to homeowners for property rehabilitation and loans to businesses for working capital. [570.200(f)]

STEP 2: ELIGIBLE ACTIVITIES

Activities must be listed as eligible in the CDBG statute, as amplified by regulation.

Furthermore, the activity must not be within the category of explicitly ineligible activities under other CDBG regulations. For example, rehabilitation of buildings is generally an eligible activity; however, Federal regulations specifically exclude the rehabilitation of office buildings for the general conduct of government.

INELIGIBLE ACTIVITIES

The following activities are explicitly ineligible activities under other CDBG regulations

- BUILDINGS FOR GENERAL CONDUCT OF GOVERNMENT

CDBG expenditures are generally not allowed on buildings that house government offices.

- GENERAL GOVERNMENT EXPENDITURES

Funds are not allowed for the general functions of government. However, government departments may carry out eligible projects.

- POLITICAL ACTIVITIES

Funds may not be used for political purposes or partisan political activities such as candidate forums, voter transportation, etc.

- PURCHASE OF EQUIPMENT

Equipment purchase is generally not eligible with specific exceptions including equipment necessary for a public service project.

- FURNISHINGS AND PERSONAL PROPERTY

Furnishings are generally not eligible except when necessary for a public service project.

- **Operating and Maintenance**

Funds are generally not eligible for operating and maintenance except as part of a public service project.

- **Income Payments**

Funds are generally not eligible for income payments for income maintenance, housing allowances, payment of rent, mortgage, etc.

- **Religious Prohibition**

Restrictions apply to use of CDBG funds on buildings or programs administered by religious organizations and institutions [570.200(j)]. Funds may not be used for the acquisition, construction, rehabilitation, etc. of structures used strictly for religious purposes or to promote religious interests.

However, funds may be used to rehabilitate buildings owned by religious entities for non-religious purposes under limited circumstances.

ELIGIBLE ACTIVITIES

The following activities are listed as generally eligible activities under other CDBG regulations

- **Acquisition of Real Property**

CDBG funds may be used to acquire real property by purchase, long-term lease, or by donation. Real property includes land, air rights, easements, water rights, rights-of-way, buildings and other real property improvements. Real property acquisition does not include movable equipment, furnishings, machinery, land "write-downs" in which the land is purchased at one price and then sold to the same entity at a lower price, or acquiring newly constructed housing.

Funds may be provided to private for-profit entities if the property is rehabilitated or sold for residential purposes meeting a national objective.

NOTE: Acquisition of real property must always be viewed in terms of the ultimate use of the property in meeting a national objective.

- **Disposition of Real Property**

Funds may be used to dispose of real property acquired with CDBG or urban renewal funds provided the property will be used to meet a national objective.

To be eligible, the use after disposition must meet a national objective. Proceeds from the disposition are program income to the CDBG program.

- **Public Facilities and Improvements**

CDBG funds may be provided to public agencies and private non-profits for acquisition, construction, reconstruction, rehabilitation, or installation of public improvements or facilities provided they meet a national objective. Public improvements and facilities include:

- shelters
- water and sewer facilities
- flood and drainage improvements
- fire protection facilities
- community centers
- senior centers
- health centers
- parking, streets, curbs, and sidewalks
- parks and playgrounds.

Eligible expenditures do not include costs of operating or maintaining the public facilities and improvements once they are renovated or constructed. Also not eligible are the costs of purchasing construction equipment and costs of furnishings and other personal property except fire fighting equipment

Public facilities may be owned by private non-profit organizations but such facilities must be open for use by the public during all normal hours of operation.

Government buildings may be considered public facilities when they provide public services for other than the general conduct of government.

- **Clearance**

CDBG funds may be used for clearance, demolition, and removal of buildings and improvements provided these activities meet a national objective. Demolition of HUD-assisted housing units may be undertaken only with the prior approval of HUD.

- **Public Services**

CDBG funds may be used to provide public services including but are not limited to:

- child care
- health care
- job training
- recreation
- education
- public safety
- fair housing
- senior services
- homeless services
- drug abuse services
- energy conservation testing

Public services do not include payments to individuals for food, clothing, rent or other income payments.

Eligible program costs for public services include payment for labor, supplies and materials to administer the program and the costs of operating that portion of a facility in which the public service is located. Eligible costs may also include the purchase or lease of furnishings, equipment, or other necessary personal property, which are typically not eligible expenditures under other activities.

A maximum of 15% of an annual Entitlement grant may be allocated for public services.

- **Interim Assistance**

CDBG funds may be used for certain activities on an interim basis provided the activities meet a national objective.

Eligible interim assistance includes projects that are a prelude to permanent improvements in a deteriorating area when there are determinable signs of physical deterioration and where immediate action is necessary to arrest the deterioration. Eligible activities include repair of streets, sidewalks, public buildings, parks and playgrounds and publicly-owned utilities, special trash collection and neighborhood cleanup campaigns.

CDBG funds may be used to alleviate emergency conditions that threaten public health and safety when designated an emergency by the City of Saratoga Springs. Eligible activities include repair of streets, sidewalks, public buildings, and publicly-owned utilities, special trash collection and neighborhood cleanup campaigns, snow removal and improvements to private properties.

These activities may not go beyond what is necessary to alleviate the emergency condition. [570.201(f)(2) and 570.200(3)]

- **Relocation**

CDBG funds may be used for relocation payments and assistance to displaced individuals, families, businesses, non-profit organizations and farms.

Relocation assistance is required if the displacement is caused by CDBG funded activities. In these cases, assistance is required under federal regulations that specify the eligibility and amount of payments to be provided. Relocation assistance is optional when displacement is caused by factors other than CDBG funded activities.

- **Loss of Rental Income**

CDBG funds may be used to pay housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of persons and families displaced by CDBG assisted activities. [570.201(j)]

- **Privately Owned Utilities**

CDBG funds may be provided to public agencies and non-profit organizations to acquire, construct, reconstruct, rehabilitate, or install distribution lines and facilities of privately owned utilities provided the activity meets a national objective.

- **Housing Rehabilitation**

CDBG funds may be used to finance the costs of rehabilitation in the following manner.

Eligible Types of Property

- Residential – privately or publicly owned
- Commercial/Industrial – if owner by a for-profit, rehabilitation is limited to exterior improvements and correcting code violations
- Other – nonprofit-owned nonresidential improvements

Eligible Types of Assistance

- Costs – labor, materials, supplies and other required expenses for rehabilitation
- (Re) Financing – grants, loans, etc. may be provided under this category
- Property acquisition – assistance to private entities *for use/resale for residential use*
- Renovation – conversion of a closed building from one use to another
- Security devices, water and sewer connection, barrier removal, historic preservation
- Lead-based paint hazard evaluation/reduction
- Rehabilitation services

Housing rehabilitation does not include creation of secondary housing units, installation of luxury items such as a swimming pool, cost of equipment, furnishings, or other personal property not an integral structural fixture such as air conditioners or washer and dryers, or labor costs for homeowners to rehabilitate their own properties.

- **Code Enforcement**

CDBG funds may be used for code enforcement only in deteriorating areas where enforcement, together with public/private improvements, rehabilitation, or services, may be expected to arrest the decline of the area.

- SPECIAL ECONOMIC DEVELOPMENT ACTIVITIES

CDBG funds may be used for "special economic development" activities carried out by public agencies, non-profit organizations and private for-profit businesses. Funds may be used for the following "special economic development" activities:

- Activities carried out by grantee or non-profit including acquisition, (re)construction, rehabilitation, or installation of commercial / industrial buildings or structures, or other real property equipment and improvements
- Assistance to private for-profit entities for an economic development project such as grants, loans, guarantees, technical assistance, etc.
- Economic development services in connection with the above 2 categories

- MICROENTERPRISE ASSISTANCE

Grantees and other public or private organizations may use CDBG funds to facilitate economic development through the establishment, stabilization, and expansion of microenterprises (a business having five or fewer employees, one or more of who owns the business.) CDBG Funds can be used to provide financial assistance of any kind to an existing microenterprise or to assist in the establishment of a microenterprise.

- SPECIAL ACTIVITIES BY COMMUNITY-BASED DEVELOPMENT ORGANIZATIONS (CBDO'S)

This category authorizes a grantee to designate certain types of entities to carry out a range of activities that may include activities the grantee may not otherwise carry out itself. Under this category, a qualified CBDO may only carry out the following 3 types of projects:

- Neighborhood revitalization
- Community economic development
- Energy conservation

- HOMEOWNERSHIP ASSISTANCE

Grantees and their subrecipients may provide financial assistance to households of low and moderate income to assist them in the purchase of a home. CDBG funds may be used to:

- subsidize interest rates and mortgage principal amounts
- finance the cost of acquiring property already occupied by the household at terms needed to make the purchase affordable
- pay all or part of the mortgage insurance premium
- pay any or all of the reasonable closing costs
- pay up to 50% of the down payment required by the mortgagee.

- PLANNING AND CAPACITY BUILDING

Funds may be used for studies, plans, data gathering, and identification of actions designed to improve the grantee's capacity to plan and manage CDBG programs.

NATIONAL OBJECTIVES

All proposed activities must meet and document compliance with 1 of the 3 "national objectives" to be eligible for funding.

ACTIVITIES BENEFITING PERSONS OF LOW AND MODERATE INCOME

- LOW AND MODERATE INCOME AREA

An "area benefit" activity must benefit all the residents of a primarily residential area in which at least 51% of the residents are persons of low and moderate income. Examples:

- Renovation of a neighborhood facility
- Loan to a grocery store enabling it to remain in a low-income area underserved by food stores
- New sidewalks in low income neighborhoods

Documentation to determine low/moderate income area eligibility includes:

- Boundaries of the service area and the basis for determining those boundaries, and
- The percentage of L/M income person in the service area and the data used for determining that percentage.

A map illustrating the low/moderate income areas of the City is included in this guide.

- ACTIVITIES BENEFITING A LIMITED CLIENTELE OF LOW AND MODERATE INCOME

A "limited clientele" activity is one that provides benefits to a specific group of persons, at least 51% of whom are of low or moderate income, in the following manner.

- Exclusively benefit a clientele presumed by HUD to be principally of low and moderate income. The following groups are currently presumed by HUD to be made up principally of Low/Moderate income persons:
  - abused children
  - elderly persons
  - battered spouses

- homeless persons
- handicapped persons
- illiterate persons
- migrant workers

- Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the Low/Moderate income limit.

- Be of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be Low/Moderate income persons.

- Be an activity that serves to remove material architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," provided it is restricted to the removal of such barriers by assisting:
    - the reconstruction of a public facility that does not qualify under the Low/Moderate income area benefit criteria;
    - the rehabilitation of privately-owned nonresidential building that does not qualify under the Low/Moderate income area benefit criteria or the Low/Moderate income jobs criteria;
    - the rehabilitation of the common areas of a residential structure that contains more that one dwelling unit and that does not qualify under the Low/Moderate income criteria.

- Be a microenterprise assistance activity carried out in accordance with the provision of 570.201(o) with respect to those owners of microenterprises and persons developing microenterprises assisted under the activity during each program year who are low and moderate-income persons.

- An activity designed to provide job training and placement and/or other employment support services, in which the percentage of low- and moderate-income persons assisted is less than 51% may qualify in the following limited circumstance:
    - in such cases where training or provision of supportive services assists businesses, the only use of CDBG assistance for the project is to provide the job training; and
    - the proportion of the total cost of the project borne by CDBG funds is no greater that the proportion of the total number of persons assisted who are of low- or moderate-income.

Low and Moderate Income Housing

An activity may meet this "housing" objective if it assists in the acquisition, construction, or improvement of permanent residential structures providing that persons of low and moderate income occupy that housing. The housing may be either owner-occupied or rental units in either one family or multi-family structures.

Rental units occupied by low- and moderate-income households must be occupied at affordable rents. Rental buildings under common ownership and management and located on the same or contiguous properties may be considered a single structure.

Low and Moderate Income Jobs

An activity may meet this objective if it assists in the creation or retention of jobs where at least 51% of the jobholders are persons of low and moderate income. Examples:

- Construction of business incubator by a non-profit to house new businesses
- Loan to a for-profit businesses to expand operations
- Loan to a business that has announced its intention to close in order to retain the jobs where 51% of current employees are from low/moderate income households
- Improvement of public infrastructure as needed by a company to comply with environmental laws to avoid closure.

Under retaining jobs, there must be clear and objective evidence that permanent jobs will be lost without the CDBG assistance. HUD considers evidence to be notices to affected employees, public statements by the business, or relevant financial records.

ACTIVITIES TO ADDRESS SLUM/BLIGHT CONDITIONS

- **Designated Slum / Blight Area**

An activity may meet this objective if it assists in the elimination of physical decay in a "designated" slum/blight area.

NOTE: The City of Saratoga Springs currently does not have a designated slum/blight area so applications for funding may not use this category for fulfilling a national objective.

- Slum/Blight Spot Basis

An activity may meet this objective if it assists in the elimination of physical decay on a "spot basis" located outside of a designated slum/blight area.

Documentation is required identifying the specific condition of blight or physical decay to be addressed and details of the scope of the CDBG assisted rehabilitation.

NOTE: At least 70% of a grantee's annual Entitlement grant must assist persons of low and moderate income. An activity qualifying under this national objective category does not necessarily assist persons of low and moderate income.

- SLUM/BLIGHT URBAN RENEWAL COMPLETION

An activity may meet this objective if it assists in the completion of activities carried out in an urban renewal area in accordance with a HUD approved urban renewal plan (Pre-1974 Plans).

NOTE: The City of Saratoga Springs does not have any uncompleted urban renewal plans so applications for funding may not use this category for fulfilling a national objective.

ACTIVITIES THAT MEET AN URGENT COMMUNITY DEVELOPMENT NEED

- URGENT NEED

An activity may meet this objective if it assists to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community.

The City of Saratoga Springs must certify that existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs. The emergency must be of recent origin or recently became urgent (18 months is a "safe harbor"). Evidence is necessary to show that other financial resources were not available.

NOTE: The City of Saratoga Springs currently has not certified any immediately threatening conditions in the community so applications for funding may not use this category for fulfilling a national objective.

FINANCIAL MANAGEMENT

UNIFORM ADMINISTRATIVE STANDARDS

Financial management of CDBG funds is governed by the following documents depending on the type of organization administering the CDBG funds. Procedures covered in these regulations include but are not limited to procurements, audits, access to records, termination clauses, bonding, and property management standards:

- Government: "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" (24 CFR Part 85 "The Common Rule" certain sections listed in CDBG regulation 570.502)
- Non-Profits: "Standards of Financial Management for non-profits" (OMB Circular A-110, certain attachments listed in CDBG regulation 570.502)

ALLOWABLE COSTS

CDBG expenditures must conform to the requirements of the Office of Management and Budget (OMB) circulars that specify that costs must be:

- Allowable: under CDBG and OMB regulations
- Reasonable: compared to market prices and other indicators
- Allocable: must be attributable to the project or activity

Cost principles can be found in the following documents depending on the type of organization administering the CDBG funds.

- Government: "Cost Principles Applicable to Grants and Contracts with State and Local Governments" (OMB Circular A-87)
- Non-Profits: "Cost Principles for Non-Profit Organizations" (OMB Circular A-122)

AUDITS

An independent annual audit is required for all non-profit and governmental subrecipients of CDBG funds. Subrecipients that receive over $25,000 per year from any federal source including CDBG are required to have an audit conducted. Government subrecipients must have an audit done as part of an overall government audit on an annual basis.

A waiver of the audit can be requested for non-profit subrecipients receiving under $25,000 per year from CDBG funds and where the total from all federal sources

of funds received by the subrecipient is also under $25,000.

- Government: "Audits of State and Local Governments" (OMB Circular A-128)
- Non-Profits: "Audits of Institutions of Higher Education and Other Nonprofit Institutions" (OMB Circular A-133)

PROCUREMENTS

Federal procurement procedures must be followed when federal funds are used for the purchase of supplies, equipment, services, and construction work. Awards must be made only to responsible contractors and sufficient records must be maintained to support the rationale for the selected method of procurement, the selection of the contractor and the basis for the contract price. All procurements are to be conducted to allow for full and open competition.

Procurement regulations require that affirmative action steps be taken in every procurement to contract with minority (MBE), women (WBE) and small business firms. There are four (4) methods of procurement allowed:

1. Small Purchase: under $25,000, requires adequate number of informal price quotes ("rule of thumb" - at least 3 quotes)
2. Sealed Bids: formal advertising and public opening of bids, preferred method for construction projects
3. Competitive Proposal: formal request for proposals, technical, and price evaluation of proposals
4. Non-competitive Proposal: only allowed when other methods are not feasible, includes sole source contracts and emergencies

Procurement regulations can be found in the following documents depending on the type of organization administering the CDBG funds:

- Government: 24 CFR Part 85.36
- Non-Profits: OMB Circular A-110 Attachment "O"

PROGRAM INCOME

All income from CDBG projects must be used on CDBG eligible activities and all other CDBG regulations apply to the reuse of the funds. Program income includes repayment of loans, income from sale of property and any other income directly related to the CDBG funding. If there are several funding sources, program income may be pro-rated between the different funding sources. Program income must be returned to the Office of Community Development but may be retained under a subrecipient agreement for use in eligible activities.

REAL PROPERTY USE RESTRICTIONS

Real property that is acquired or improved in whole or in part with CDBG funds over $25,000 is subject to controls on the use of the property for a period of time.

LABOR STANDARDS

DAVIS-BACON WAGES AND RELATED REGULATIONS

Davis-Bacon and related federal laws require payment of prevailing wages to laborers and mechanics on contracts and subcontracts exceeding $2,000 for the performance of construction work financed in whole or in part with federal funds. This applies to projects even if CDBG funds are only part of the total cost. It can raise the cost of a project by as much as 20-30% and should be considered in determining the cost of the project.

The current prevailing wage rates must be determined prior to start of construction. Contract Hours and Safety Standards regulations also apply to laborers and mechanics on construction projects. Exceptions to Davis-Bacon include:

- purchase of equipment, machinery and fixtures
- labor for installation of equipment, machinery and fixtures which is incidental to the construction (i.e. labor to set up playground equipment)
- rehabilitation of residential property under 8 units (Note: Other HUD programs may have different thresholds)
- certain costs associated with a construction project including legal, accounting, architectural, engineering, construction management and real property acquisition if CDBG is used solely for these excepted costs under separate contract from the construction

In some cases, Davis-Bacon wages would apply to the entire project in addition to the CDBG funded contract. Contact the Office of Community Development for a determination whether Davis-Bacon would apply to the project and to which costs. A wage determination must be obtained from HUD for use in determining wages for the project. After award, the contractor must attend a preconstruction meeting with the Office of Community

Development and Equal Opportunity Office staff, submit weekly payrolls, and be subject to job site inspections.

FEDERAL EQUAL OPPORTUNITY (EEO) AND MINORITY BUSINESS ENTERPRISE (MBE)

All projects funded in whole or in part by CDBG funds are governed by Executive Order 11246 (as amended) which prohibits discrimination in employment on all federally assisted contracts on the basis of race, color, religion, sex or national origin.

Procurement regulations require that affirmative action steps be taken in every procurement to contract with minority (MBE), women (WBE) and small business firms.

EMPLOYMENT OF LOW INCOME PERSONS

Contractors on all CDBG funded projects in excess of $200,000 and subcontractors whose portion is in excess of $100,000 are required by Section 3 of the Housing and Urban Development Act of 1968 to provide employment and training opportunities to low- and moderate-income persons to the greatest extent feasible.

OTHER REQUIREMENTS

NON-DISCRIMINATION IN CDBG BENEFITS

No person shall be excluded from participation, denied benefits, or treated differentially on the basis of race, color, gender, national origin or sexual orientation in any program funded in whole or in part with CDBG funds.

FAIR HOUSING

The Fair Housing Act prohibits discrimination in the sale, rental, or financing of housing on the basis of race, color, religion, gender, sexual orientation, national origin, handicap or family status. The City of Saratoga Springs is required to affirmatively further fair housing opportunities in the City as a condition of receiving CDBG funds.

CONFLICT OF INTEREST

No employee, agent, consultant, officer, elected or appointed official of the City or funding subrecipient who exercises any functions or responsibilities with respect to CDBG activities, or is in a position to participate in the decision-making process, or gains inside information with regard to such activities may obtain a financial interest or benefit from a CDBG activity, or have a financial interest in any contract with respect to a CDBG activity or its proceeds either for him(her)self or those with whom (s)he has family or business ties during the individual's tenure and for one year after employment. [570.611]

LOBBYING

CDBG subrecipients are required to certify that no federal funds were or will be used to lobby federal employees, members of Congress, employees of Congress or employees of members of Congress in conjunction with the award of federal funds or contracts. If other than federal funds are used to influence the persons previously named for funds, a lobbying disclosure form is required.

ANTI-DISPLACEMENT AND REPLACEMENT OF LOST HOUSING UNITS

CDBG funds are subject to the Uniform Relocation Assistance and Real Property Acquisition Act which requires relocation payments and assistance when there is displacement of individuals, families, businesses, non-profit organizations and farms due to CDBG funded activities.

If there is a loss of low- and moderate-income housing units due to a CDBG funded activity, there may be a one-for-one replacement required.

PUBLIC ACCESS TO RECORDS

Citizens may have reasonable access to records regarding the use of CDBG funds as long as the access meets local and State laws regarding privacy and confidentiality. Several CDBG documents are made public each year including the following:

- Proposed CDBG Projects and CDBG budget
- Environmental Review Notice
- Amendments to the Action Plan (as necessary)
- Grantee Performance Report
- Five-year Consolidated Plan
- Yearly Entitlement Action Plan

DRUG FREE WORKPLACE

The City of Saratoga Springs certifies to HUD that it will prohibit the unlawful manufacture, distribution, dispersing, possession, or use of a controlled substance in the workplace including the workplace of subrecipients of CDBG funds. Subrecipients must certify that they have developed and will implement a drug-free workplace policy.

DIRECT BENEFICIARY DATA

Data is required to be collected on the racial, ethnic and female head of household status for each direct beneficiary of the CDBG funds. This includes all projects with direct beneficiaries including housing rehabilitation, job creation and retention, public services, and facilities that serve a limited clientele.

HANDICAPPED ACCESS

CDBG funds are subject to Section 504 of the Rehabilitation Act of 1973 (amended 1986) that states that no otherwise qualified individual with handicaps shall solely by reason of his/her handicap be excluded from, denied benefits, or subjected to, discrimination in any program receiving federal funds.

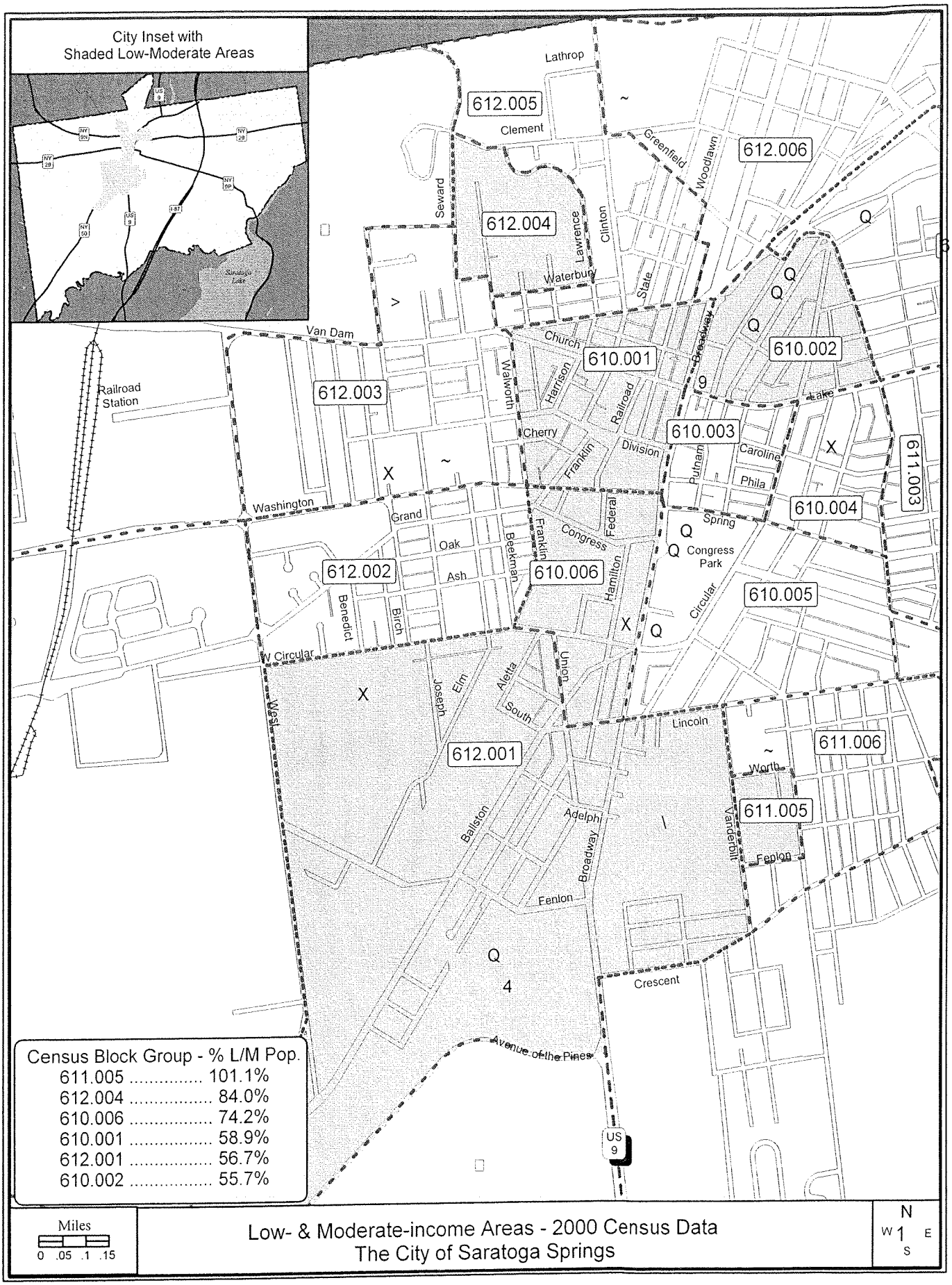
New construction of housing and non-housing facilities must be designed and constructed to be accessible and usable by individuals with handicaps. Activities to improve existing housing with 1 to 4 units are exempt from the handicapped accessibility regulations. Alterations to existing housing with more than 5 units is subject to the accessibility regulations.

Alterations to existing non-housing facilities must include making them accessible to the maximum extent feasible. Alternatives to physical modifications include assigning aides to beneficiaries, relocating services to accessible facilities and conducting home visits to provide services.

FOR FURTHER INFORMATION

For information on how to apply for CDBG funds or for assistance in developing a proposal, contact:

The City of Saratoga Springs
Office of Community Development
City Hall – 474 Broadway
Saratoga Springs, NY 12866
(518) 587-3550 ext. 2575
www.saratoga-springs.org/cd/


City Inset with
Shaded Low-Moderate Areas
Census Block Group - % L/M Pop.
611.005 ..... 101.1%
612.004 ..... 84.0%
610.006 ..... 74.2%
610.001 ..... 58.9%
612.001 ..... 56.7%
610.002 ..... 55.7%
Miles
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Low- & Moderate-income Areas - 2000 Census Data
The City of Saratoga Springs
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Lathrop
Clement
Greenfield
Woodlawn
Seward
Lawrence
Clinton
Waterbury
State
Broadway
Van Dam
Church
Railroad Station
Walworth
Harrison
Railroad
Cherry
Franklin
Division
Putnam
Caroline
Phila
Lake
Washington
Grand
Oak
Ash
Beekman
Federal
Congress
Spring
Congress Park
Hamilton
Circular
Benedict
Birch
W Circular
West
Joseph
Elm
Aletta
South
Union
Lincoln
Worth
Ballston
Adelphi
Vanderbilt
Fenton
Crescent
Avenue of the Pines
US 9