

# City of Scranton CDBG Funding Application FAQ Sheet



## Mayor's Goals

Blight Remediation Housing Insecurity  
Neighborhood Revitalization  
Child Welfare  
Economic Development

The City of Scranton's Office of Economic and Community Development (OECD) and the Mayor are pleased to release the 2021 CDBG Applications. In order to determine if your organization would be eligible for CDBG funding and align with the Mayor's goals as well as those of HUD, a FAQ Sheet has been provided below for reference.

***For more information on the Mayor of Scranton's Goals, HUD eligible activities and requirements, application process, or other strategic initiatives in the City, please visit [www.scrantonworks.org](http://www.scrantonworks.org) or email [scranton311@scrantonpa.gov](mailto:scranton311@scrantonpa.gov).***

## Application Filing Procedures

All applications and applicable attachments must be submitted to OECD's Dropbox <https://www.dropbox.com/request/acqtC9MGlgQzDmPCE03> and labeled "2021 CDBG Funding Application for (name of Project)". Applications will not be accepted after **3:00 p.m. on Friday, November 20, 2020**. Applications submitted after 3:00 p.m. deadline will not be considered for funding. Additionally, failure to provide all necessary information may disqualify application for CDBG funding.

## CDBG Program Summary and Guideline

The Community Development Block Grant (CDBG) Program was created through Title I of the Housing and Community Development Act of 1974, as amended. HUD awards grants to communities to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. Individual communities are allowed to develop their own programs and funding priorities with public input. The funding for 2021 is the "Second Year" Action Plan for the City of Scranton's Consolidated Plan and describes the programs and funding priorities established locally for the five-year period, 2020-2024. An Action Plan is prepared annually to implement the Consolidated Plan. Communities are required to give maximum feasible priority to the three categories of activities that are referred to as the "CDBG National Objectives"; they are:

# City of Scranton CDBG Funding Application FAQ Sheet

## **National Objective #1: Activities that Benefit Low-and Moderate-Income Persons (570.208(a))**

- Subcategory No. 1: Area Benefit Activities**- this subcategory criteria is met in an activity, benefiting only area residents, is undertaken in a service area where at least 51% of residents have incomes within 80% of the Area Median.
- Subcategory No. 2: Limited Clientele Activities**- this subcategory criterion is met if the activity is designed to benefit a specific group of people and they are either documented or presumed to be LMI persons.
- Subcategory No. 3: Housing Activities**- The criteria for LMI benefit is met to the extent that units are occupied by LMI persons upon completion. It covers both rental and owner-occupied units.
- Subcategory No. 4: Job Creation or Retention**-The LMI benefits must meet one of the following three criteria:
  - The neighborhood where jobs are created is in a LMI area; or
  - The business being assisted predominantly serves LMI persons; or
- The jobs created or retained are available or filled by LMI persons

## **National Objective #2: Activities to Prevent or Eliminate Slums and Blight (570.208(b))**

- Subcategory No. 1: Addressing slums/blight on an area basis**- The grantee must officially designate the area as blighted, deteriorated, or deteriorating under State or local legal definitions and there must be evidence of blight or decay.
- Subcategory No. 2: Addressing slums/blight on a spot basis**- The activity must prevent the spread of blight to adjacent properties or areas and there are limited eligible activities within this subcategory.
- Subcategory No. 3: Addressing slums/blight in an Urban Renewal Area**: This subcategory would allow grantees to complete unfinished Urban Renewal in a project area.

## **National Objective No. 3: Activities to Meet Urgent Community Development Needs:**

This category is met if an activity meets all of the following:

- The situation poses a serious and immediate threat to the health or welfare of the community, and
- It is of recent origin or recently became urgent, and
- It is unable to be corrected with other sources of funds.

## **Eligible CDBG Applicants**

1. Applicants must be incorporated for profit, nonprofit, or public organizations or businesses able to undertake the approved activity within the boundaries of the City of Scranton.
2. Applicants must demonstrate the financial management and programmatic expertise to successfully develop, design, implement and monitor the proposed activities. This expertise can be demonstrated through previous experience in successfully developing projects similar to the one proposed, either by partners or key staff within the business or organization.
3. Applicants must be able to meet other federal requirements relative to the CDBG program, specifically those concerning equal opportunity and fair housing, affirmative marketing, environmental review, displacement, relocation, and acquisition, labor, lead-based paint, conflict of interest, debarment and suspension, and flood insurance. **Federal requirements include those listed in 24 CFR Part 570.** All applicants should be aware that additional federal requirements apply

# City of Scranton CDBG Funding Application FAQ Sheet

## **CDBG Eligible Activities**

CDBG funds must be used for activities that meet a **CDBG National Objective**. As described earlier, the National Objectives for the CDBG Program are to support activities that: 1) provide primary benefit to lower-income persons or households; 2) aid in the elimination of slums or blight; or 3) meet other identified community development needs having a particular urgency. Eligible activities may include, but are not limited to:

**Acquisition/Disposition:** The use of CDBG funds to acquire real property, in whole or in part, by purchase, long-term lease, donation, or otherwise, for any public purpose. Real property to be acquired may include: land, air rights, easements, water rights, right-of-ways, buildings and other property improvements, or other interests in real property.

**Demolition/Clearance:** Clearance, demolition, and removal of buildings and improvements including movement of structures to other sites.

**Economic Development Activities:** Economic development activities may include, but are not limited to: (1) Construction by the grantee or sub-recipient of a business incubator designed to provide inexpensive space and assistance to new firms to help them become viable businesses, (2) Loans to pay for the expansion of a factory or commercial business, and (3) Providing training needed by persons on welfare to enable them to qualify for jobs created by CDBG-assisted special economic development activities. The level of public benefit to be derived from the economic development activity must be appropriate given the amount of CDBG assistance.

**Rehabilitation:** Rehabilitation related activities may include single-family rehabilitation, multi-family rehabilitation, energy efficiency improvements, public housing modernization, and rehabilitation of commercial properties.

**Relocation:** CDBG funds may be used for relocation payments and assistance to displaced persons, including individuals, families, businesses, non-profits, and farms, where required under Section 570.606 of the regulations (pursuant to the Uniform Relocation Act).

**Public Facilities/Improvements:** CDBG funds may be used by the grantee or other public or private nonprofit entities for the acquisition (including long term leases for periods of 15 years or more), construction, reconstruction, rehabilitation (including removal of architectural barriers to accessibility), or installation, of public improvements or facilities. Buildings for the general conduct of government cannot be acquired or improved with CDBG funds. This includes neighborhood facilities, firehouses, schools, and libraries, as well as water and/or sewer treatment plants. The regulations further specify that facilities that are designed for use in providing shelter for persons having special needs are considered to be public facilities.

**Public Services:** CDBG funds may be used to provide public services (including labor, supplies, and materials), provided that each of the following criteria is met: 1) The public service must be either a new service or a quantifiable increase in the level of service; and 2) The amount of CDBG funds obligated within a program year to support public service activities under this category may not exceed 15% of the City's allocation and the total public services of all Sub-recipients may not exceed 15% of the total grant awarded.

# City of Scranton CDBG Funding Application FAQ Sheet

**Planning:** Includes studies, analysis, data gathering, preparation of plans, and identification of actions that will implement plans. The types of plans which may be paid for with CDBG funds include, but are not limited to: Comprehensive plans; Individual project plans; Community development plans, Capital improvement programs; Small area and neighborhood plans; Environmental and historic preservation studies; and Functional plans (such as plans for housing, land use, energy conservation, or economic development).

**Homeownership Assistance:** Homeownership assistance activities may include financial assistance for down-payments, closing costs or other part of the purchase process and counseling for pre-purchase, post-purchase or foreclosure.

## Ineligible Activities/Costs

Generally, the following types of activities are ineligible:

- Activities not meeting a National Objective and are not shovel ready;
- Acquisition, construction, or reconstruction of buildings for the general conduct of government;
- Except for the removal of architectural barriers
- Political activities
- Certain income payments; and
- General government expenses
- Purchase of equipment (including construction equipment), furnishings and personal property, except when used in carrying out an eligible Public Service activity
- Operating and maintenance expenses associated with public facilities
- New housing construction, unless carried out by a Community Based Development Organization
- Income payments to families or individuals

Generally, the following types of costs are ineligible for funding:

- Any costs not directly related to the implementation of the activity described in the approved application;
- Costs incurred prior to an executed contract or after the expiration of the CDBG contract; and
- Administrative costs that are considered excessive or unreasonable.
- Costs incurred prior to the completion of an Environmental Review

***Note: Although an activity may be deemed eligible for CDBG funding, it does not guarantee funding. The Community Development needs for the CDBG Program in the Consolidated Plan sets forth the priority of needs and as such, dictates which types of eligible activities may be funded in a given year. CDBG funds may NOT be used for costs attributable to a building used for the general conduct of government or used for political activities.***

# City of Scranton CDBG Funding Application FAQ Sheet

## Objectives and Outcomes

Identify one objective and one outcome for the proposed activity. To determine the most appropriate outcome for an activity, ask: “What type of change or result am I seeking?”

Outcome	Availability/ Accessibility	Affordability	Sustainability
Objective			
Suitable Living Environment	Public Service activities Funded to provide access To a suitable living Environment.  <i>Example: An after school Program designed to address crime or juvenile delinquency in a target neighborhood</i>	Public Service activities funded to support housing opportunities in a target neighborhood.  <i>Example: A housing counseling program</i>	Public service activity aimed at improving communities or neighborhoods.  <i>Example: Community policing program</i>
Decent Housing	Public service activities funded to assist LMI individuals/households.  <i>Example: Fair housing counseling program</i>	Public service activities funded to make housing affordable.  <i>Example: Energy conservation training or education program focused on reducing energy costs to LMI people</i>	Public service activities funded to sustain housing in neighborhoods.  <i>Example: Housing counseling program for LMI homeowner to help avoid predatory lending.</i>
Economic Opportunity	Public service activities funded to provide access to economic opportunities  <i>Example: Operating costs for a job training program, literacy program</i>	Public service activities funded to support economic opportunities  <i>Example: Free job training program for LMI people</i>	Public service activities funded to sustain economic opportunities. Example: Child care program or day care or health services

# City of Scranton CDBG Funding Application FAQ Sheet

## CDBG PROGRAM ADMINISTRATION

### CDBG Contract/Memorandum of Understanding (MOU)

Following the City's approval of the 2020 CDBG activities and completion of the HUD review, staff will prepare CDBG contracts/MOUs for all approved activities. Each contract/MOU will contain the terms and conditions of the CDBG funding, a description of the approved activity and costs, and will specify applicable City insurance requirements including comprehensive property and general liability, workers' compensation, and vehicle coverage. Contracts/MOUs will also include the measurable objectives and accomplishment data that must be reported. The person designated by resolution will be required to sign the CDBG contract/MOU and return it to the City. Prior to contracts/MOUs being executed, all sub-recipients must meet with CDBG staff to review the contract/MOU and accomplishment reporting.

### Payment of CDBG Funds

CDBG funds are paid for actual costs directly related to the implementation of the project as approved. Payment will be made only for costs described in the applicant's contract/MOU upon submittal of payment request and all required documentation (i.e. receipts, invoices, accomplishment reports, etc.) is received and approved by the City. While every effort is made to ensure timely payments, this procedure may take two to four weeks from time of reimbursement request.

### Reporting Requirements and Monitoring

Note that it is OECD's staff's responsibility to ensure all entities receiving CDBG funds are in compliance with HUD regulations. Recipients must provide all information requested to assist in CDBG staff documentation in a timely manner. CDBG recipients shall be required to submit a **monthly** progress report regarding the funded activity. Noncompliance could result in suspension or termination of the contract/MOU and reallocation of the CDBG funds. Non-compliance will also be considered when applicants request future funding. In addition, CDBG staff may schedule periodic on-site monitoring of all funded activities. Each CDBG recipient is responsible for maintaining written records required by the CDBG contract/MOU.

### DUNS Number Requirement

The federal government requires organizations to provide a DUNS number as part of their grant applications and proposals.

#### **What is a DUNS number?**

Dun and Bradstreet (D&B) is a company that provides business information for credit, marketing, and purchasing decisions. Its "data universal numbering system," known as DUNS, issues unique 9-digit numbers that are used by businesses and the federal government to keep track of more than 70 million businesses worldwide. Some entities, such as states and universities, will also have what is known as "DUNS + 4," which is used to identify specific units within a larger entity.

#### **Why does my organization have to provide it?**

The federal government's Office of Management & Budget has adopted the use of DUNS numbers as a way to keep track of how federal grant money is awarded and dispersed.

# City of Scranton CDBG Funding Application FAQ Sheet

## **Do all grant applications have to have a DUNS number?**

All organizational applicants are required to provide their DUNS number. Individuals are exempt.

## **How do I find out if my organization already has a DUNS number?**

Your executive director, business manager, board treasurer, or accountant is likely to know and be able to provide your organization's DUNS number if you already have one.

## **Is there a fee for registering for a DUNS number?**

No. D&B should not charge you a fee. You are also not obligated to purchase any of their products.

## **What is the easiest way to get a DUNS number if my organization needs one?**

It only takes a day to get a DUNS number from D&B by phone (you may be on hold for a little while), but Internet applications can take up to 30 days! Note that an authorizing official, not a project director, of the organization should request a DUNS number. **Call D&B's special toll-free number for federal grant applicants: 1-866-705-5711.** Tell the operator that you are applying to a federal grant program and need to register for a DUNS number. The process will take about ten minutes. You will be asked to provide the following information (subject to minor changes):

Legal name of organization, physical address (and P.O. Box if you have one), telephone number, Web address, name of the authorizing official (e.g., president, director, etc.), the purpose of your Organization.

**A. Additional Information** – Any other information that would be helpful in the evaluation of this application may be attached to the Application Narrative.

- Double check your application to make sure everything is included and in the order prescribed. Be sure to complete all questions.

City of Scranton

Office of Economic and Community Development (OECD)

**Application Evaluation Criteria**

All applications submitted by the required date and are uploaded to the OECD Drop Box <https://www.dropbox.com/request/acqtC9MGlggQzDmPCE03v> will be reviewed by a member of the OECD staff to make sure that all required elements of the application are submitted. All applications that pass through this threshold review will then be evaluated by the City/OECD review team members against four competitive areas: Narrative, Alignment with goals of HUD and Mayor of Scranton, Capacity/Sustainability, and Project Budget.

The maximum evaluation score is 100, which is broken out as follows for each of the competitive areas:

<b>Narrative</b>	<b>30 points</b>
<b>Alignment with goals of HUD and Mayor</b>	<b>20 points</b>
<b>Capacity/Sustainability</b>	<b>25 points</b>
<b>Project Budget</b>	<b>25 points</b>

**Process:** All applications for CDBG, HOME and ESG will be reviewed in two steps. First, all applications received by the deadline date will be reviewed by a City/OECD review team members for completeness and basic eligibility. At this step, applications will be checked to make certain that all required elements are submitted and that the applicant is an eligible organization under the NOFA published by City/OECD. Second, after this initial step ascertains that the application is eligible, each application will then be reviewed for competitiveness by the review team of OECD using the following evaluation criteria. A description of the competitive criteria follows.



## City of Scranton

### Office of Economic and Community Development (OECD)

#### **Narrative (up to 30 points possible)**

This criterion deals with the need the community has for the proposed project, and how well the project serves those in need. The City of Scranton has a number of needs – in housing, economic development, physical revitalization and human services. Thus, it is important to use scarce public funding to meet the needs of as many people as possible. The applicant will need to demonstrate the community need to be addressed by the proposed project. The applicant will have to show that it will use the federal funding to assist low- and moderate-income people. It will also have to demonstrate that it is serving a significant enough population to justify the grant being requested.

Also, while the city recognizes that it has supported many excellent organizations and many positive projects in recent years, it also looks for new ideas. Thus, new organizations are encouraged to apply for funding, as are those with ideas for new activities and projects.

#### Performance Measures:

- Will the proposed project serve low- and moderate-income people?
- Has the applicant indicated how many people will be served, and the percentage that will be low- and moderate-income?
- Does the proposed project meet national CDBG objectives? (i.e., does it principally benefit low- or moderate-income people, prevent or eliminate blight, or address urgent community needs)
- Does the project represent a new applicant or a new project or activity idea?

## City of Scranton

### Office of Economic and Community Development (OECD)

#### **Alignment with HUD and Mayor's Goals/ Feasibility (up to 25 points)**

The second criterion against which all applications will be assessed is alignment of the project's goals with those of the Mayor of Scranton and HUD. City/OECD wants to give priority to projects and activities that are ready-to-go and can be accomplished in a timely manner. The application must include evidence that demonstrates that it can be started quickly and be completed within 24 months.

#### *Performance Measures:*

- Does this application align with the goals of the Mayor and HUD? If so, how does it further the goals?
- Upon award is the applicant ready to begin the project and expend it within 24 months?
- Does this project align with other strategic initiatives in the City of Scranton?
- FOR CONSTRUCTION: If the project includes physical development, are the sites for the project identified in the application? Is it/are they under control of the appropriate entity so that the project can move forward without long negotiation or purchasing processes? (Or, if not, can it explain how it will proceed with the project in an expeditious manner without property control?)

## City of Scranton

### Office of Economic and Community Development (OECD)

#### **Sustainability/Capacity (up to 25 points)**

The application must provide evidence that the applicant has the capacity to carry out all aspects of the proposed project and is sustainable. This can be done by proving that the applicant itself has the skills, as well as the resources to complete the work (such as leveraging, match, or partnerships). Capacity can be demonstrated through evoking experience of the applicant and/or its partners in completing similar work, in type and scale. If the applicant has received federal funding from the city previously, its prior activity – including whether it has completed the work on-time and demonstrated sound financial management, without undue problems or monitoring – will be taken into account.

#### *Performance Measures:*

- Does the application provide evidence of the capacity of the applicant?
- Are any partners indicated? If so, do they have the capacity and experience to implement their roles?
- Does the applicant demonstrate that it has adequate resources and staff time to complete and oversee the project work? Does it have appropriate management systems and support, administrative structures, and policies and procedures?
- Has the applicant received funding from CDBG, HOME or ESG previously – and demonstrated that it has implemented any funded projects or activities in a responsible manner? Has it conducted its federally-funded project in a financially responsible manner, submitting invoices and reports in a timely and complete manner?
- Is there a plan (as needed) for sustaining the project once funding is expended?

# CDBG Application for Funding FAQ Sheet

## **Project Budget (up to 20 points)**

It is vital that all funding recipients have a reasonable project budget, and that selected projects and activities have the financing needed to move forward rapidly toward completion. Thus, it is incumbent on the applicant to prove it has carefully considered what the proposed project will cost, and has assembled the financing needed to complete the project. Quite often, particularly for larger, more complex projects, the OECD funds will be only a part of the project financing. The OECD funds may form the leverage to secure other funds, or be important to fill a gap where other financing is already in place. City/OECD wants to encourage leveraging – and thus will look favorably on projects that demonstrate that other funders are involved.

### Performance Measures:

- Does the application include a budget for the project that is understandable, reasonable and realistic?
- Is there a budget narrative that explains budget figures well and concisely? Does it use the experience of the applicant in carrying out other activity?
- Does the applicant use all reasonable resources available to it – including other public funds, partner contributions, private sector resources, debt funding, etc.? If City/OECD is the major source of capital for the project, does the applicant explain why it has not sought other, leveraged funds?
- If all leveraged funds are not immediately available to the project, does the applicant explain the circumstances needed to clear the fund?