



## CDBG Application Guidelines

*The County of Ocean is an eligible participating jurisdiction under the Urban County provision of the Community Development Block Grant (CDBG) program. The U.S. Department of Housing and Urban Development (HUD) will notify the County that it can allocate federal grants to our local community annually. The allocation will be distributed through the County's Community Development Block Grant (CDBG) program and will be available to local agencies with urgent needs and prioritize the unique needs of low- and moderate-income persons.*



Language Assistance



Accessibility



Equal Housing Opportunity

## TABLE OF CONTENTS

Introduction.....	4
National Objectives.....	5
Public Facility and Improvements - 24 CFR 570.201(c).....	6
Eligible Expenses.....	6
Ineligible Expenses.....	6
Additional Resources.....	7
Public Service Activities - 24 CFR 570.201(e).....	8
Eligible Expenses.....	8
Ineligible Expenses.....	8
Additional Resources.....	8
HUD Income Limits.....	9
Adjusted Home Income Limits Table.....	9
Housing Activities - 24 CFR 570.202.....	10
Eligible Expenses.....	10
Ineligible Expenses.....	10
Low-and Moderate Income Persons Benefit.....	11
Eligible Expenses.....	11
Additional Resources.....	11
Eligible Expenses.....	13
Eligible Expenses.....	14
Ineligible Expenses.....	14
Additional Resources.....	14
Additional Resources.....	16
Slum and Blight.....	17
Eligible Expenses.....	18
Ineligible Expenses.....	18
Urgent Need.....	19
Eligible Expenses.....	19
Post-Award and Subrecipient Criteria.....	21
Lead-Based Paint Program.....	21
Manufactured Housing Unit/Mobile Home Rehabilitation.....	22
Reconstruction.....	22

County of Ocean  
CDBG Application Guidelines

Davis-Bacon Wage Rates .....	22
Additional Resources.....	22
Reservation of Rights .....	23
Environmental Review .....	24
Actions Triggering Environmental Review and Limitations Pending Clearance.....	24
Limitations Pending Environmental Clearance.....	25
Conflicts of Interest (24 CFR 570.611; 24 CFR 85.36; and 24 CFR 84.42) .....	27
Availability of Funds.....	28
Non-Discrimination and Accessibility.....	28
Organization Eligibility Requirements.....	29
Fair Housing Act.....	29
Project Implementation Schedule and Performance Measurement Goals .....	30
Equal Access to Housing Final Rule.....	31
Duplication of Benefits.....	31
Federal Requirements .....	31

## INTRODUCTION

The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; [42 U.S.C.-5301](#)<sup>1</sup> *et seq.*

HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Entitlement communities develop their own programs and funding priorities. However, grantees must give maximum feasible priority to activities, which benefit low- and moderate-income persons. A grantee may also carry out activities, which aid in the prevention or elimination of slums or blight. Additionally, grantees may fund activities when the grantee certifies that the activities meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. CDBG funds are not eligible for activities, which do not meet one of these national objectives.

The Community Development Block Grant (CDBG) program requires that each CDBG funded activity must either principally benefit low- and moderate-income (LMI) persons, aid in the prevention or elimination of slums or blight, or meet a community development need having a particular urgency. The CDBG program funds most activities designed to benefit low- and moderate-income (LMI) persons. That benefit may take the form of facility improvements, housing, jobs, and services. Additionally, activities may qualify for CDBG assistance if the activity will benefit all the residents of a primarily residential area where at least 51 percent of the residents are low- and moderate-income persons, i.e. area-benefit (LMA).

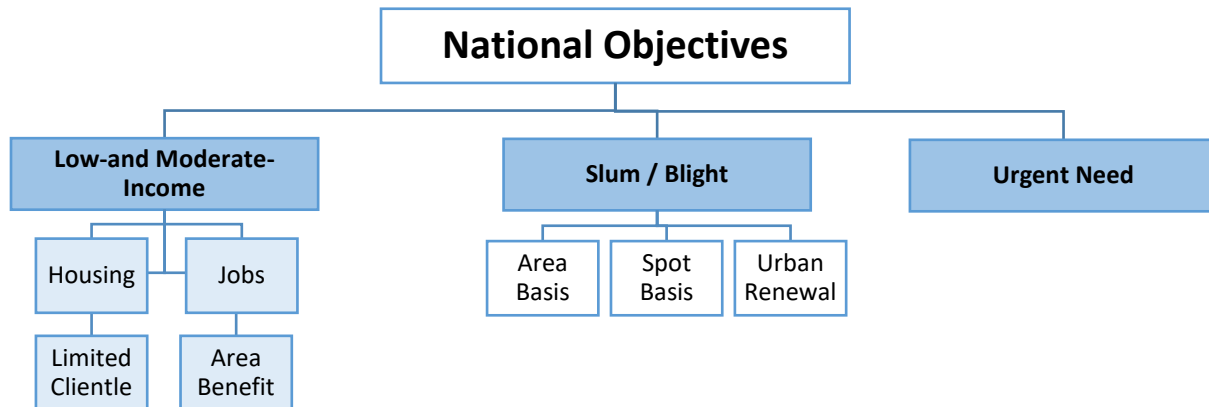
The Ocean County Planning Department is requesting applications from qualified non-profit 501(c)(3) and other eligible entities for participation in the CDBG program. Funds must be used for public facilities and improvements, public services, and/or housing rehabilitation associated with assisting and/or benefitting the low- and moderate-income population. Additional information regarding eligible activities is included within this application. The County is not accepting applications from individuals who need personal housing or other financial assistance. Applications must be for the creation and/or maintenance of a program or project that centers on **principally benefit low- and moderate-income (LMI) persons, aid in the prevention or elimination of slums or blight, or meet a community development need having a particular urgency.**

CDBG grants will be subject to oversight, reporting, and monitoring requirements that each grantee have adequate procedures to prevent the duplication of benefits, which means grant funds may not be used to pay costs if another source of financial assistance is available to pay that cost. Awarded subrecipients will be required to certify during the contract term that there is no supplanting of federal funds for requested programs or projects.

---

<sup>1</sup> [http://portal.hud.gov/hudportal/HUD/program\\_offices/comm\\_planning/communitydevelopment/rulesandregs/laws/sec5301](http://portal.hud.gov/hudportal/HUD/program_offices/comm_planning/communitydevelopment/rulesandregs/laws/sec5301)

## NATIONAL OBJECTIVES



The Community Development Block Grant (CDBG) program requires that each CDBG funded activity must either principally benefit low- and moderate-income (LMI) persons, aid in the prevention or elimination of slums or blight, or meet a community development need having a particular urgency. The CDBG program funds most activities designed to benefit low- and moderate-income (LMI) persons. That benefit may take the form of facility improvements, housing, jobs, and services. Additionally, activities may qualify for CDBG assistance if the activity will benefit all the residents of a primarily residential area where at least 51 percent of the residents are low- and moderate-income persons, i.e. area-benefit (LMA). [Certain [exception grantees](#)<sup>2</sup> may qualify activities as area-benefit with fewer LMI persons than 51 percent.]

This section identifies what activities are eligible to be assisted under the Community Development Block Grant (CDBG) Entitlement Program. The eligibility requirements and national objectives provides guidance on the factors to be considered in selecting among alternative categories of eligibility and national objectives, where applicable; and provides guidance on accessing additional CDBG resources that may be available to a community<sup>3</sup>.

As indicated above, the program rules state that, in order to be eligible for funding, every CDBG funded activity must qualify as meeting one of the three national objectives of the program. This requires that each applicant must select one national objectives that will pertain to your activity/project:

### National Objectives

- Benefitting low- and moderate-income (LMI) persons (at least 51%).
- Preventing or eliminating slums or blight.
- Meet a need having a particular urgency (referred to as urgent need)
  - 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.

An activity that fails to meet one or more of the applicable tests for meeting a national objective is in noncompliance with CDBG rules.

<sup>2</sup> <https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-exception-grantees/>

<sup>3</sup> <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

## PUBLIC FACILITY AND IMPROVEMENTS - 24 CFR 570.201(C)

Under the CDBG Program, grantees may use funds to undertake a variety of public facilities and improvement projects<sup>4</sup>. In general, public facilities and improvements are interpreted to include all facilities and improvements that are publicly owned, or that are owned by a non-profit and open to the general public. The acquisition, construction, reconstruction, rehabilitation, or installation of public facilities and improvements are eligible activities under CDBG and can be carried out by a grantee, subrecipient, or other non-profit. Public facilities may only be owned by these types of entities.

---

### ELIGIBLE EXPENSES

Eligible expenses include but are not limited to; energy efficiency improvements; handicapped accessibility improvements (including improvements to buildings used for general conduct of government); architectural design features and other treatments aimed at improving aesthetic quality (e.g., sculptures, fountains).

Examples include, but not limited to street improvements, water and sewer lines, neighborhood facilities, and façade improvements in neighborhood commercial districts.

---

### INELIGIBLE EXPENSES

The maintenance and repair of public facilities and improvements is generally ineligible (e.g., filling potholes, repairing cracks in sidewalks, mowing grass at public recreational areas or replacing street light bulbs). Operating costs associated with public facilities or improvements are ineligible unless part of a CDBG-assisted public service activity or eligible as an interim assistance activity.

A public facility otherwise eligible for assistance under the CDBG program may be assisted with CDBG funds even if it is part of a multiple use building containing ineligible uses, if:

- a) The public portion of the facility that is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility.
- b) The grantee can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility. Allowable costs are limited to those attributable to the eligible portion of the building or facility.

---

<sup>4</sup> <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-6-Public-Facilities.pdf>

## ADDITIONAL RESOURCES

For more information, visit the federal document, [Chapter 2: Categories of Eligible Activities](#)<sup>5</sup>, from the U.S Department of Housing and Urban Development<sup>6</sup>.

---

<sup>5</sup> <https://www.hudexchange.info/sites/onecpd/assets/File/CDBG-National-Objectives-Eligible-Activities-Chapter-2.pdf>

<sup>6</sup> <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

## PUBLIC SERVICE ACTIVITIES - 24 CFR 570.201(E)

Public Services<sup>7</sup> are non-construction social service activities in the community that benefit low- to moderate-income citizens. At least 51% of all program clients must be County of Ocean residents and have a total family income that does not exceed 80% of the area median income as established by HUD for Ocean County.

---

### ELIGIBLE EXPENSES

Eligible expenses include but are not limited to<sup>8</sup> labor, supplies, and materials as well as operation and maintenance of the portion of a facility in which the public service is located. Time sheets will be required to document salary costs. The County on a case-by-case basis may authorize travel and training expenses.

---

### INELIGIBLE EXPENSES

CDBG funds may not be used<sup>9</sup> to pay for food or meals for staff, fund raising, entertainment, alcoholic beverages, deposits on equipment, incentives to clients (such as gift cards or raffle prizes), or late fees or penalties.

---

### ADDITIONAL RESOURCES

For more information, visit the federal document, [Chapter 2: Categories of Eligible Activities](#)<sup>10</sup>, from the U.S Department of Housing and Urban Development<sup>11</sup>.

---

<sup>7</sup> <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-7-Public-Services.pdf>

<sup>8</sup> <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-7-Public-Services.pdf>

<sup>9</sup> <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-7-Public-Services.pdf>

<sup>10</sup> <https://www.hudexchange.info/sites/onecpd/assets/File/CDBG-National-Objectives-Eligible-Activities-Chapter-2.pdf>

<sup>11</sup> <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>



## HUD INCOME LIMITS

HUD requires that at least 51% of those benefited by any activity funded with CDBG dollars must meet low- or moderate-income guidelines for the CDBG Program, as determined by HUD. HUD defines very low-income households as those earning equal to or less than 50% of Area Median Income (AMI) and low-income households as those earning equal to or less than 80% AMI. The table below provides the current adjusted HOME income thresholds for Ocean County. **However, the recipient of CDBG funding must meet the income guidelines at the time when utilizing the funding.**

### ADJUSTED HOME INCOME LIMITS TABLE

ADJUSTED HOME INCOME LIMITS<sup>12</sup> for Ocean County, New Jersey  
Effective June 15, 2022

Household Size	Extremely Low 30% Limits	Very Low Income 50% Limits	Low Income 80% Limits
1 Person	25,600	42,650	62,600
2 Person	29,250	48,750	71,550
3 person	32,900	54,850	80,500
4 Person	36,550	60,900	89,400
5 Person	39,500	65,800	96,600
6 Person	42,400	70,650	103,750
7 Person	45,350	75,550	110,900
8 Person	48,250	80,400	118,050

Source:

[https://www.huduser.gov/portal/datasets/home-datasets/files/HOME\\_IncomeLmts\\_State\\_NJ\\_2022.pdf](https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_NJ_2022.pdf)

HUD Exchange: <https://www.hudexchange.info/programs/home/home-income-limits/>

<sup>12</sup> <https://www.hudexchange.info/programs/home/home-income-limits/>

## HOUSING ACTIVITIES - 24 CFR 570.202

A single-unit housing rehabilitation<sup>13</sup> for a homeowner is an eligible CDBG activity. The purpose of the housing rehabilitation activity is to allow eligible homeowners to continue living safely in their own homes and remain independent for as long as possible. The goal is to remove deficiencies, improve energy efficiency, remediate lead based paint, extend the useful life of the property, and comply with any special design or construction standards established to preserve historic buildings.

Conducting modifications to homes contributes to the preservation of the County's housing stock. All improvements must be physically attached to the property and permanent in nature. Luxury items are not permitted. If building materials that are normally considered "luxury items" are necessary due to a medical condition of a household member or for reasons of accessibility, the County may approve the use of such materials.

All participants receiving CDBG assistance shall have incomes that do not exceed 80% of the Area Median Income (AMI) as defined by HUD, adjusted for family size.

---

### ELIGIBLE EXPENSES

Funding shall provide for home modifications that include but are not limited to carpentry repairs, electrical repair or rewiring, foundation construction, handicap modifications, heating system installation plumbing repair, roof repair or replacement and repairs to bring the property into compliance with applicable local property maintenance and building codes, repair of structurally significant damaged wood, and floor coverings where it poses a hazard, and window and door replacement and repair.

---

### INELIGIBLE EXPENSES

Non-eligible housing improvements include general property improvements include improvements that bring the property into compliance with local zoning requirements, custom cabinets and high-end appliances, exterior paint or items to improve the appearance of the property but are not health and safety items, fence repairs, hot tubs, landscaping upgrades, patios and patio covers, room additions that are for leisure, swimming pools.

---

<sup>13</sup> <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-4-Housing.pdf>

## LOW-AND MODERATE INCOME PERSONS BENEFIT

The Community Development Block Grant (CDBG) program requires that each CDBG funded activity must principally benefit low- and moderate-income (LMI) persons. Most activities funded by the CDBG program are designed to benefit low- and moderate-income (LMI) persons. That benefit may take the form of public facility & improvements, public service, and housing. Additionally, activities may qualify for CDBG assistance if the activity will benefit **all** the residents of a primarily residential area where at least 51 percent of the residents are low- and moderate-income persons, i.e. area-benefit (LMA).

To be considered for CDBG funding a program or project must first meet the following National Objective:  
**Benefit to Low-and Moderate-Income (LMI) Persons.**

To be eligible for CDBG assistance, a public service project must serve low-to-moderate income persons. To qualify for funding under the LMI category, the persons or households served must have income levels at or below 80% of the area median income (AMI). HUD requires stratified income data on beneficiaries, requiring **quarterly** reporting of which category beneficiaries fall into below 80% of AMI, 50% of AMI, or 30% of AMI.

1. **Area Benefit:** An activity that is available to benefit all of the residents of a defined area (which is primarily residential), where at least 51% of the residents are low-to-moderate income (LMI) persons. This activity must meet one of the following qualifying criteria:
  - a) A determination that there is a sufficiently large percentage of LMI persons residing in the service area by using the most recently available decennial Census information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau.
  - b) A determination is made of the percent of LMI residents by means of a current survey of the area, if it is believed that the census data does not reflect current income levels, or where the census boundaries do not coincide sufficiently with the service area. **The survey results must meet statistical reliability standards and be approved by HUD.**

---

## ELIGIBLE EXPENSES

Examples include, but not limited to street improvements, water and sewer lines, neighborhood facilities, and façade improvements in neighborhood commercial districts.

---

## ADDITIONAL RESOURCES

For more information, visit the [Ocean County Consortium CDBG Designated Target Neighborhoods](http://www.planning.co.ocean.nj.us/frmMaps)<sup>14</sup> to ensure all the eligible areas within Ocean County. This map shows Low and Moderate Income Areas

---

<sup>14</sup> <http://www.planning.co.ocean.nj.us/frmMaps>

in Ocean County. HUD defines Low/Mod areas as areas where at least 51% of households have incomes at or below 80% of the area median income.

2. **Limited Clientele:** The public service activities must be offered to a particular group of low-and-moderate income residents in the entire community. To qualify, each individual must establish, by means of financial information on household size and income, that at least 51% of the clientele are persons whose household income does not exceed the LMI limit. There are certain populations that HUD presumes to be low- and moderate-income. For programs serving these populations income data does not need to be collected, however race and ethnicity do. The following groups are currently presumed by HUD to be made up principally of low-and-moderate income persons<sup>15</sup>:
  1. Elderly persons (62 or older)
  2. Homeless persons
  3. Migrant farm works
  4. Persons living with AIDS
  5. Illiterate persons (included non-English speakers)
  6. Battered spouses
  7. Abused children
  8. Severely disabled adults (*see definition below*)

Persons are classified as having a severe disability if they<sup>16</sup>:

- a) Used a wheelchair or had used another special aid for six months or longer.
  - b) Unable to perform one or more “functional activities” or need assistance with an ADL<sup>17</sup> or IADL<sup>18</sup>.
  - c) Prevention from working at a job or doing housework.
  - d) Have a selected condition included autism, cerebral palsy, Alzheimer’s disease, senility or dementia, or mental retardation.
  - e) Are under 65 years of age and whom Medicare covers or who receive Social Security Income (SSI).
3. **Housing:** The housing category of Low and Moderate Income (LMI) benefit national objective qualifies activities that are undertaken for providing or improving permanent residential structures. The project adds or improves permanent residential structures that will be/are occupied by low-and-moderate income (LMI) households upon completion.

The activity must meet one of the following qualifying criteria:

- a) One-unit structures must be occupied by LMI households.
- b) Two-unit structures must have at least one unit occupied by LMI households.
- c) Structures containing more than two units must have at least 51% of the units occupied by LMI households.
- d) Rental buildings under common ownership and management that are located on the same or contiguous properties may be considered as single structures.

---

<sup>15</sup> <https://www.hudexchange.info/sites/onecpd/assets/File/IDIS-CDBG-Training-Slides-Module5.pdf>

<sup>16</sup> <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-3-Nat-Obj.pdf>

<sup>17</sup> Activity of Daily Living (ADL)

<sup>18</sup> Instrumental activities of daily living (IADL)

- e) For rental housing, occupancy by LMI households must be at affordable rents, consistent with the standards adopted and publicized by the Department of Housing and Community Development for determining “affordable rent” levels.

Examples include property acquisition or rehabilitation of property for permanent housing; conversion of non-residential structures into permanent housing; and new housing construction by a Community-Based Development Organization (CBDO). In addition, other examples of eligible activities include, but are not limited to<sup>19</sup>:

- a) Acquisition of an apartment house to provide dwelling units to LMI households at affordable rents, where LMI households will occupy at least 51 percent of the units.
- b) Site improvements on publicly owned land to serve a new apartment structure to be rented to LMI households at affordable rents.
- c) Housing rehabilitation for single-family units.
- d) Conversion of an abandoned warehouse to be reconfigured into new apartments, where LMI households at affordable rents will occupy at least 51 percent of the units.

In order to meet the housing LMI national objective, a LMI household must occupy structures with one unit. If the structure contains two units, at least one unit must be LMI occupied. Structures with three or more units must have at least 51 percent occupied by LMI households.

- a) Rental buildings under common ownership and management that are located on the same or contiguous properties may be considered as a single structure.
- b) For rental housing, occupancy by LMI households must be at affordable rents, consistent with standards adopted and publicized by the grantee.

Under the following limited circumstances, structures with less than 51 percent LMI occupants may be assisted:

- a) Assistance is for an eligible activity that reduces the development cost of new construction of non-elderly, multi-family rental housing.
- b) LMI households at an affordable rent will occupy at least 20 percent of the units.
- c) The proportion of cost borne by CDBG funds is no greater than the proportion to be occupied by LMI households.

When housing activities are conducted by a Community Development Financial Institution (CDFI) or as part of a HUD-approved Neighborhood Revitalization Strategy Area (NRSA), multiple units (e.g. scattered site housing) may be aggregated for the purposes of meeting the LMI housing national objective.

---

## ELIGIBLE EXPENSES

Potentially eligible activities include: construction by the grantee of a business incubator designed to offer office space and support services to new firms to help them become viable small businesses; loans to pay for the expansion of a plant or factory; assistance to a business to prevent closure and a resultant

---

<sup>19</sup> <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-3-Nat-Obj.pdf>

loss of jobs for LMI persons; clearance activities on a site slated for a new business, rehabilitation activity that will correct code violations and enable a business to survive and retain jobs, financial assistance to a manufacturer for the expansion of its facilities that is expected to create permanent jobs, and assistance to expand a small house cleaning service with four employees that agrees to hire three additional LMI employees.

---

## ELIGIBLE EXPENSES

Eligible expenses include but are not limited to acquisition of a building to be converted into a shelter for the homeless, rehabilitation of a center for training severely disabled persons to enable them to live independently, clearance of a structure from the future site of an neighborhood center that will exclusively serve the elderly, and public service activities like the provision of health services.

---

## INELIGIBLE EXPENSES

There are a number of activities that generally do not qualify under the LMI Housing national objective. **These include code enforcement, interim assistance, microenterprise assistance, public services, and special economic development activities.**

---

## ADDITIONAL RESOURCES

**Note:** This flexibility does not apply to activities under the Direct Homeownership Assistance eligibility category (570.201(n)). Please refer to the chapter on Revitalization Areas more information<sup>20</sup>.

4. **Job Creation or Retention:** The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons.

Generally, each assisted business shall be a separate activity for purposes of determining whether the activity qualifies. However, in certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses, which locate on the property, provided such businesses are not otherwise assisted by CDBG funds. Additionally, where CDBG funds are used to pay for the staff and overhead costs of a CBDO making loans to businesses from non-CDBG funds, this requirement may be met by aggregating the jobs created by all the businesses receiving loans during any one-year period.

Jobs are only considered to be available to or held by LMI persons when:

- a) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training.

---

<sup>20</sup> <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-3-Nat-Obj.pdf>

- b) Local government and the assisted business take actions to ensure that LMI persons receive first consideration for filling such jobs.

Records maintained for benefit based on job creation:

Where the grantee chooses to document that at least 51% of the jobs will be available to LMI persons, documentation for each assisted business shall include a copy of a written agreement, containing:

- i. A commitment by the business that it will make at least 51% of the jobs available to LMI persons and will provide training for any of those jobs requiring special skills or education.
- ii. A listing by job title of the permanent jobs to be created, indicating which jobs will be available to LMI persons, which jobs require special skills or education, and which jobs are part-time.
- iii. A description of the actions to be taken by the grantee and business to ensure that LMI persons received first consideration for these jobs.
- iv. A listing by job title of the permanent jobs filled, which jobs were available to LMI persons, and a description of how first consideration was given to such persons for these jobs. The description shall include what type of hiring process was used; which LMI persons were interviewed for a job; and which LMI persons were hired.

OR

Where the grantee chooses to document that at least 51% of the jobs will be held by LMI persons, documentation for each assisted business shall include a copy of a written agreement, containing:

- i. A commitment by the business that LMI persons will hold at least 51% of the jobs, on a full-time equivalent basis.
- ii. A listing by job title of the permanent jobs to be created (identifying which are part-time, if any).
- iii. A listing by job title of the permanent jobs filled and which jobs did LMI persons initially hold.
- iv. For each LMI person hired information on the size and annual income of the person's family prior to the time the person was hired for the job.

For benefit based on job retention, the following documentation must be kept:

- a) Evidence that in the absence of CDBG assistance, the job would be lost.
- b) For each business assisted, a listing by job title of permanent jobs retained, indicating which of those jobs are part-time and (where it is known) which jobs do LMI persons hold at the time the assistance is provided.
- c) Where applicable, identification of any of the retained jobs (other than those known to be held by LMI persons) which are projected to become available to LMI persons through job turnover within two years of the time CDBG assistance is provided, and information on how the turnover projections were calculated.
- d) For each retained job claimed to be held by a LMI person, information on the size and annual income of the person's family.
- e) For each retained job claimed to be available to LMI persons based on job turnover: a listing of each job which has turned over to date, indicating which of those jobs were either taken by, or available to LMI persons; and a description of how "first consideration" was given to LMI persons for those jobs.

---

## ADDITIONAL RESOURCES

For more information, visit the federal U.S. HUD guidelines to ensure all requirements are met<sup>21</sup>.

---

<sup>21</sup> <https://files.hudexchange.info/resources/documents/Basically-CDBG-Chapter-3-Nat-Obj.pdf>



## SLUM AND BLIGHT

Assists in the prevention or elimination of slums or blight. To meet this national objective, the proposed activity must be within a designated slum or blighted area and must be designed to address one or more conditions that contributed to the deterioration of the area. The applicant must demonstrate/document how the elimination of slums and blight will comply with the applicable national objective. **Please contact County staff to discuss this Nation Objective and possible consultation with HUD.**

This project will prevent or eliminate specific conditions of blight or physical decay. Activities are limited to clearance, historic preservation, rehabilitation of buildings, but only to the extent necessary to eliminate conditions detrimental to public health and safety.

Three categories can be used to qualify activities under this national objective:

1. Prevent or eliminate slums and blight on an area basis.
2. Prevent or eliminate slum and blight on a spot basis.
3. Be in an urban renewal area.

Activities under this national objective are carried out to address one or more of the conditions, which have contributed to the deterioration of an area, designated as a slum or blighted area. The activity must meet the following qualifying criteria:

- a) The area, delineated by the grantee, must meet a definition of a slum, blighted, deteriorated or deteriorating area under state or local law.
- b) Within the area, there must be a substantial number of deteriorated or deteriorating buildings or public improvements.
- c) The activity must address one or more of the conditions that contributed to the deterioration of the area.
- d) If rehabilitation of residential buildings is to be undertaken in a slum/blighted area, the building must be considered substandard under local definition and all deficiencies making the building substandard must be corrected before other rehabilitation work is undertaken.

The focus of activities under this national objective is a change in the physical environment of a deteriorating area. This contrasts with the LMI benefit national objective where the goal is to ensure that funded activities benefit LMI persons. This difference in focus has an impact on the information that is required to assess the qualifications of an activity. Under the LMI benefit national objective, determining the number of LMI persons that actually or could potentially benefit from an activity is central to qualifying the activity. Under the elimination of slum and blight national objective, determining the extent of and physical conditions that contribute to blight is central to qualifying an activity.

Records maintained:

- a) Boundaries of the area.
- b) A description of the conditions, which qualified the area at the time of its designation in enough detail to demonstrate how the area met the qualifying criteria.
- c) For each residential rehabilitation activity:

County of Ocean  
CDBG Application Guidelines

- Local definition of “substandard” that must be at least as stringent as the housing quality standards used in the Section 8 Housing Assistance Payment Program – Existing Housing.
- Pre-rehabilitation inspection report describing the deficiencies in each structure to be rehabilitated.
- Details and scope of CDBG-assisted rehabilitation by structure.

---

ELIGIBLE EXPENSES

Eligible expenses include but are not limited to assistance to commercial or industrial businesses; public facilities or improvements; code enforcement; the acquisition and demolition of a dilapidated property; rehabilitation of a decayed community center that eliminates code violations that are detrimental to the health and safety of potential occupants like faulty wiring, falling plaster, or other similar conditions; preservation of a deteriorated building of historic significance; and financial assistance to a business to demolish a decayed structure.

---

INELIGIBLE EXPENSES

Activities under this category are limited to acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, and building rehabilitation activities. Furthermore, rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.

## URGENT NEED

**Use of the urgent need national objective category is rare.** It is designed only for activities that alleviate emergency conditions resulting from natural disasters or similar emergencies. Urgent need qualified activities must meet the following criteria:

1. The existing conditions must pose a serious and immediate threat to the health or welfare of the community.
2. The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months).
3. The grantee is unable to finance the activity on its own.
4. Other sources of funding are not available.

Federal authorizing statutes will certify activities that meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. CDBG funds may not be used for activities, which do not meet the broad national objectives.

---

## ELIGIBLE EXPENSES

Eligible activities include; (1) acquisition of property located in a flood plain that was severely damaged by a recent flood;(2) public facility improvements like the reconstruction of a publicly-owned hospital that was severely damaged by a tornado; (3) demolition structures that are severely damaged by a major earthquake; (4) public services like additional police protection to prevent looting in an area damaged by a recent hurricane; (5) interim assistance such as emergency treatment of health problems cause by a flood; and (6) special economic development assistance to a grocery store that was damaged by an earthquake.

## COMMUNITY DEVELOPMENT BLOCK GRANTS (DISASTER RECOVERY ASSISTANCE)

HUD provides flexible grants to help cities, counties, parishes, and states recover from presidentially declared disasters, especially in low- and moderate-income areas. HUD publishes allocations and program requirements in notices in the *Federal Register*. Generally, CDBG requirements apply unless modified by appropriations statute, waived, or supplanted by alternative requirements. CDBG Disaster Recovery Assistance is also subject to requirements of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).

When major disasters occur, Congress may appropriate additional funding for the CDBG program as Disaster Recovery grants to rebuild the affected areas and bring crucial seed money to stimulate the recovery process. Because CDBG funds a broad range of activities, CDBG Disaster Recovery assistance helps communities and neighborhoods that otherwise might not recover due to limits on other resources. Disaster Recovery grants supplement disaster programs of the Federal Emergency Management Agency (FEMA), the Small Business Administration, and the U.S. Army Corps of Engineers.

Appropriations language determines applicant eligibility. Historically, recipients have included states and local governments in places that have been designated by the President of the United States as major disaster areas. Some supplemental appropriations may restrict funding solely to states. HUD generally awards noncompetitive, nonrecurring Disaster Recovery grants by a formula that considers disaster recovery needs unmet by other Federal disaster assistance programs.<sup>22</sup>

Additional information sources are available on the following [HUD website](#).<sup>23</sup>

---

<sup>22</sup> <https://www.hud.gov/hudprograms/disaster-recovery>

<sup>23</sup> <https://www.hudexchange.info/programs/cdbg-dr/>

## POST-AWARD AND SUBRECIPIENT CRITERIA

**CDBG recipients will be required to maintain accurate records documenting the program or project and records documenting targeted populations and/or areas being served by the program or project.** The County of Ocean is committed to monitoring the performance of grant recipients to ensure that federal funds are used appropriately and in a manner, that maximizes low-and moderate-income public benefit. Monitoring each grant recipient ensures that the goals and objectives identified within the County's HUD Five-Year Consolidated Plan and Action Plan are met. Recipients will be asked to provide a final summary reporting all accomplishments and outcomes to be provided to HUD and the public. This includes a description of the impact or outcomes of the program or project. Subrecipients are required to:

- a.) Collect and track data elements associated with the program/project requesting funding. These elements may include:
  - a. How the person/household was impacted.
  - b. The number of persons/ households served.
  - c. The family size, race/ethnicity, income documentation, and residency documentation of those served
    - i. Additional elements such as underwriting for business programs will be required, collected, and tracked depending upon the nature of the program.
- b.) Submit performance reports to the County of Ocean. The reports are reviewed for accuracy, performance measures and compliance. In addition, on-site monitoring/auditing of agencies for ongoing compliance and eligibility is done by the County of Ocean to ensure income guidelines and residency are being met and goals are being reached.
- c.) Document that there is no duplication of benefits or supplanting of funding.
- d.) Requests for payments will be made on a reimbursement basis by submitting a payment voucher along with supporting documents (i.e. payroll reports, receipts, and reimbursement certifications, etc.).

## LEAD-BASED PAINT PROGRAM

Rehabilitating homes constructed prior to January 1, 1978 must be provided with the proper lead-based hazard disclosure notification concerning that hazard. Whenever pre-1978 houses are rehabilitated under CDBG, please refer to Chapter 20 of the CDBG Management Manual, Lead-Based Paint Requirements for guidance. The costs associated with meeting these requirements are eligible to be paid for with CDBG funds, and should be considered during program design.

## MANUFACTURED HOUSING UNIT/MOBILE HOME REHABILITATION

CDBG funds may be used for the rehabilitation of a mobile home. An alternative to actual rehabilitation of a mobile home is to replace the unit with a used mobile home. To be considered eligible for rehabilitation costs, the used mobile home must have been occupied and not used as a demonstration model. Should the residential dwelling or existing mobile home that is being considered for rehabilitation meet the criteria for reconstruction, discussed below, a new mobile home can be used for replacement. All costs associated with the purchase and transportation will be included in the applicant's grant/loan.

## RECONSTRUCTION

CDBG funds may be used to demolish and reconstruct Target Income Group (TIG) owned and occupied residential structures. Reconstruction is defined as the demolition and construction of a structure. The County must document that the reconstruction costs are less than newly constructed housing and that the estimated cost of the reconstructed housing (including demolition, site preparation and temporary relocation) is less than the fair market value of the reconstructed housing and land combined.

## DAVIS-BACON WAGE RATES

**A Certified Payroll must be provided from the contractor and subcontractor (s) for all rehabilitation work exceeding \$2,000.00 in accordance with Davis Bacon.** Davis-Bacon wage rates are "prevailing" minimum wage rates that contractors must pay to their employees on any construction project over \$2,000.00 to which the United States is a party. The U.S. Secretary of Labor sets and enforces these rates. In addition, many other statutes require the use of Davis-Bacon wage rates where the U.S. is not a party but where certain federal funds are being used. Among these statutes is Section 12 of the 1937 Housing Act (42 U.S.C. 1437 *et seq.*), which states that "any contract for loans, contributions, sale or lease pursuant to this Act shall contain" Davis-Bacon wage provisions. Davis-Bacon wage rates also apply, under certain conditions, to the construction of housing units funded through the CDBG and HOME programs, among others.

---

## ADDITIONAL RESOURCES

For more information, visit the federal U.S. HUD [Davis Bacon Labor Standards Guide](#)<sup>24</sup>. In addition, the federal [Davis-Bacon and Related Acts](#)<sup>25</sup> is an available resource to review.

The "Related Acts" include Construction Surveys, McNamara-O'Hara Service Contract Act (SCA), Walsh-Healey Public Contracts Act (PCA), Contract Work Hours and Safety Standards Act (CWHSSA), Copeland "Anti-Kickback" Act, Executive Order 13658, Establishing a Minimum Wage for Contractors: Annual Update, and Executive Order 13706, Establishing Paid Sick Leave for Federal Contractors.

---

<sup>24</sup> <https://www.hud.gov/sites/documents/4812-LRGUIDE.PDF>

<sup>25</sup> <https://www.dol.gov/agencies/whd/government-contracts/construction>

## RESERVATION OF RIGHTS

The County of Ocean reserves the right, at its sole discretion, to award all, a portion, or none of the available CDBG funding, and may reject proposals based on the quality and/or merits of the proposals, or when it is determined to be in the public interest to do so. Furthermore, the County may extend deadlines and timeframes, as needed. The County reserves the right to substantiate any applicant's qualifications, financial information, capability to perform, availability, and past CDBG performance.

CDBG recipient shall not incur any costs or obligate any CDBG funding until the County of Ocean receives a release of funds from the U.S. Department of Housing and Urban Development (HUD). The forfeited funds will be recaptured to the CDBG program for reallocation.

## ENVIRONMENTAL REVIEW

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it complies with the [National Environmental Policy Act \(NEPA\)](#)<sup>26</sup> and related laws and authorities, including state and local environmental standards. **All HUD-assisted projects are required to undergo an environmental review to evaluate environmental impacts.** The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users.

An environmental review must be performed before any funds, regardless of source, are committed to a project. Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies), but every project must be in compliance with the [National Environmental Policy Act \(NEPA\)](#)<sup>27</sup>, and other related Federal and state environmental laws.

**The Ocean County CDBG program will perform the project's environmental review.** This record contains the description of all activities that are part of the project and an evaluation of the effects of the project on the human environment and vice versa. **Documentation of the environmental review is available for public review.**

HUD's Environmental Review Records page houses environmental reviews made publicly available through HUD's Environmental Review Online System (HEROS). This includes environmental assessments, CEST reviews, and CEST reviews that convert to exempt.

HUD's website hosts the Environmental Review Records, [click here](#)<sup>28</sup>.

---

## ACTIONS TRIGGERING ENVIRONMENTAL REVIEW AND LIMITATIONS PENDING CLEARANCE

All HUD-assisted activities must have some level of environmental compliance review completed for them. Compliance with the Part 58 requirements initiates with the submission of an application from the grantee for CDBG funds.

**Note:** Do not be confused by the language of environmental review procedures, even exempt activities cannot be undertaken until HUD environmental review criteria are checked and they have been formally determined to be exempt.

Activities cannot be undertaken that have physical impacts or which limit the choice of alternatives, even with the grantee or other project participant's own funds, prior to obtaining environmental clearance. If prohibited activities are undertaken after submission of an application but prior to completing the environmental review and, if applicable, receiving environmental review approval from HUD (a.k.a. environmental clearance), the applicant is at risk for the denial of CDBG assistance. The reason is that these

---

<sup>26</sup> <http://www.epa.gov/compliance/nepa/index.html>

<sup>27</sup> <http://www.epa.gov/compliance/nepa/index.html>

<sup>28</sup> <https://www.hudexchange.info/programs/environmental-review/environmental-review-records/>



actions interfere with the grantee's ability to comply with NEPA and Part 58. If prohibited actions are taken prior to environmental clearance, then environmental impacts may have occurred in violation of the federal laws and authorities and the standard review procedures that ensure compliance.

There are certain kinds of activities that may be undertaken requiring minimal effort to fulfill Part 58 compliance requirements. For example, the act of either hiring a consultant to prepare a Phase I Environmental Site Assessment (an investigative study for environmental hazards) or hiring a consultant to complete an engineering design study or plan, or a study of soil and geological conditions.

Environmental compliance reviews for these activities may be completed early on, and even prior to the grantee's execution of a grant agreement with HUD.

---

#### LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE

According to the NEPA and Part 58, the responsible entity (RE) is required to ensure that environmental information is available before decisions are made and before actions are taken. In order to achieve this objective, Part 58 prohibits the commitment or expenditure of CDBG funds until the environmental review process has been completed and, if required, the grantee receives a release of funds from HUD. This means that the grantee may not spend either public or private funds (CDBG, other federal or non-federal funds), or execute a legally binding agreement for property acquisition, rehabilitation, conversion, repair or construction pertaining to a specific site until environmental clearance has been achieved. In other words, grantees must avoid any and all actions that would preclude the selection of alternative choices before a final decision is made, that decision being based upon an understanding of the environmental consequences and actions that can protect, restore and enhance the human environment (i.e., the natural, physical, social, and economic environment) [24 CFR §58.22](#)<sup>29</sup>.

**Note:** If any CDBG or federal funds will ultimately be used in a project, environmental review process must be observed even if the initial activities are funded by private or local sources. Start the environmental review process before expending any funds from any source or making any choice limiting decisions about the project.

Until the grantee has completed the environmental review process, these same restrictions apply to all subrecipients, as well. It is the responsibility of the grantee to ensure subrecipients and any other entity participating in this project (developers, homeowners, etc.) adhere to these restrictions.

For the purposes of the environmental review process, "commitment of funds" includes:

- Execution of a legally binding agreement (such as a property purchase or construction contract).
- Expenditure of CDBG funds (e.g., hiring a consultant to prepare a preliminary design and engineering specifications or a Phase I Environmental Site Assessment).
- Use of any non-CDBG funds on actions that would have an adverse impact - e.g., demolition, dredging, filling, excavating.
- Use of non-CDBG funds on actions that would be "choice limiting." This also includes the bidding on any work.

---

<sup>29</sup> [https://www.ecfr.gov/cgi-bin/text-idx?SID=9da343aae2caeb062c84399ebd9f44c1&mc=true&node=se24.1.58\\_122&rgn=div8](https://www.ecfr.gov/cgi-bin/text-idx?SID=9da343aae2caeb062c84399ebd9f44c1&mc=true&node=se24.1.58_122&rgn=div8)

It is acceptable for grantees to execute legal agreements that do not financially bind the grantee prior to completion of the environmental review process and receiving SAM<sup>30</sup> approval. A non-financially binding agreement contains stipulations that ensure the subrecipient does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed. It is also acceptable to execute an option agreement for the acquisition of property when the following requirements are met:

- The option agreement is subject to a determination by the grantee on the desirability of the property for the project as a result of the completion of the environmental review in accordance with Part 58.
- The cost of the option is a nominal portion of the purchase price.

The use of option contracts and conditional contracts prior to completing an environmental review in acquisitions of existing single-family and multi-family properties was clarified in a memo<sup>31</sup> issued by HUD on August 26, 2011. A conditional contract for the purchase of property is a legal agreement between the potential buyer of a real estate property and the owner of the property. The conditional contract includes conditions that must be met for the obligation to purchase to become binding. Conditional contracts can be used in more limited circumstances than option contracts. As already mentioned, conditional contracts are allowed only for residential property acquisition.

Secondly, for single family properties (one to four units), the purchase contract must include the appropriate language for a conditional contract; and

- No transfer of title to the purchaser or removal of the environmental conditions in the purchase contract occurs unless and until the grantee determines, on the basis of the environmental review, that the transfer to the buyer should go forward and the grantee has received release of funds and environmental clearance.
- The deposit must be refundable or, if a deposit is non-refundable, it must be in an amount of \$1,000 or less.

Finally, for multi-family properties:

- The structure may not be located in a Special Flood Hazard Area (100-year floodplain or certain activities in the 500-year floodplain).
- The purchase contract must include the appropriate language for a conditional contract found in the August 26, 2011 HUD memo<sup>32</sup> on Conditional Contracts.
- No transfer of title to the purchaser or removal of the environmental conditions in the purchase contract occurs unless and until the grantee determines, based on the environmental review, that the transfer to the buyer should go forward and the grantee has received release of funds and environmental clearance.
- The deposit must be refundable or, if a deposit is non-refundable, it must be a nominal amount of three percent of the purchase price or less.

---

<sup>30</sup> <https://beta.sam.gov/>

<sup>31</sup> <https://files.hudexchange.info/resources/documents/HUD-Memo-Guidance-on-Options-and-Conditional-Contracts-for-Purchase-of-Real-Property-for-Environmental-Reviews-Conducted-by-a-Responsible-Entity-under-24-CFR-58.pdf>

<sup>32</sup> <https://files.hudexchange.info/resources/documents/HUD-Memo-Guidance-on-Options-and-Conditional-Contracts-for-Purchase-of-Real-Property-for-Environmental-Reviews-Conducted-by-a-Responsible-Entity-under-24-CFR-58.pdf>

CONFLICTS OF INTEREST (24 CFR 570.611; 24 CFR 85.36; AND 24 CFR 84.42)

Two sets of conflict of interest provisions apply to activities carried out with CDBG funding. The first set, applicable to the procurement of goods and services by subrecipients (funded applicants), is the procurement regulation found in the Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations. The second set of provisions is located at 24 CFR 570.611(a)(2).

With respect to procurement activities, the subrecipient must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. At a minimum, these standards must:

1. Require that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for an award:
  - a. An employee, officer, or agent of the subrecipient,
  - b. Any member of an employee's, officer's, or agent's immediate family,
  - c. An employee's, agent's, or officer's partner, or
  - d. An organization, which employs or is about to employ any of the persons listed in the preceding sections.
2. Require that employees, agents, and officers of the subrecipient neither solicit nor accept gratuities, favors, or anything of value from contractors or parties to sub-agreements. However, subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
3. Provide for disciplinary actions to be applied for any violation of such standards by employees, agents or officers of the subrecipient.

With respect to all other CDBG-assisted activities, the general standard is that no employee, agent, or officer of the subrecipient who exercises decision-making responsibility with respect to CDBG funds and activities is allowed to obtain a financial interest in or benefit from CDBG activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds for the activities. Specific provisions include that:

- a. The requirement applies to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, a designated public agency, or a subrecipient, and to their immediate family members and business partners.
- b. The requirement applies to such persons during their tenure and for a period of one year after leaving the grantee or subrecipient organization.
- c. Upon written request, HUD may grant exceptions on a case-by-case basis.

## AVAILABILITY OF FUNDS

The awards will be contingent upon the County of Ocean's receipt of a U.S. Department of Housing and Urban Development (HUD) grant award and execution of a Subrecipient Agreement with your agency. The awarded subrecipient (s) cannot seek reimbursement for any activities or items prior to the execution of the Agreement. Upon receipt of a payment voucher, supporting documentation and proof of compliance, is how the CDBG subrecipient receives reimbursement.

## NON-DISCRIMINATION AND ACCESSIBILITY

The American with Disability Act (ADA) is about ensuring equity for the public. The County of Ocean is committed to fostering the equity wherever possible, and actively promotes awareness of non-discrimination and accessibility requirements and resources. The County of Ocean will consider every request and complaint that it receives and is committed to providing functional accessibility throughout the County of Ocean.

The County of Ocean ensures that no person or groups of persons shall, on the grounds of race; color; national or ethnic origin; ancestry; age; religion or religion creed; disability or handicap; sex; sexual orientation; gender; gender identity and expression, including a transgender identity; genetics; military and veteran status; retaliation and any other characteristic protected under applicable federal, state, or local law, herein called "protected categories" be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any and all programs, services, or activities administered by the County of Ocean, its recipients, subrecipients, contractors and subcontractors, staff, applicant, and third parties, includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the agency.

To request an accommodation please contact:

**Ocean County Planning Department**  
**ATTN: Robin L. Florio, Supervising Administrative Analyst**  
129 Hooper Avenue  
Toms River, NJ 08754  
732-929-2054  
[ocplanning@co.ocean.nj.us](mailto:ocplanning@co.ocean.nj.us)

## ORGANIZATION ELIGIBILITY REQUIREMENTS

Organizations applying for public facility & improvements, public services, and housing rehabilitation funding can be a public or private non-profit agency, a for-profit entity, a public housing authority, or other government entities.

- a.) Non-profit agencies must be established, operating agencies as evidenced through documentation required in the application. Exhibits to show tax-exempt status are required.
- b.) Faith-based agencies are eligible to apply on the same basis as other non-profit organizations. However, CDBG funds cannot be used to support worship, proselytizing, or religious instruction. Religious activities must be offered separately, in time or location, from the CDBG supported activity. Projects operated by faith-based agencies must be available to all community members and not restricted to the organization's membership or congregation.

## FAIR HOUSING ACT

The Fair Housing Act prohibits discrimination in the sale, rental or financing of dwellings, and in other housing-related transactions, because of race, color, religion, sex, disability, familial status or national origin<sup>33</sup>. The Fair Housing Act applies to a housing provider's consideration of a person's limited ability to read, write, speak or understand English. Specifically, the Fair Housing Act addresses how the disparate treatment and discriminatory effects methods of proof apply in Fair Housing Act cases in which a housing provider bases an adverse housing action - such as a refusal to rent or renew a lease - on an individual's limited ability to read, write, speak or understand English<sup>34</sup>.

---

<sup>33</sup> <https://www.gpo.gov/fdsys/pkg/CFR-2013-title24-vol3/pdf/CFR-2013-title24-vol3-sec570-902.pdf>

<sup>34</sup> <https://www.gpo.gov/fdsys/pkg/CFR-2010-title24-vol1/pdf/CFR-2010-title24-vol1-sec91-15.pdf>

## PROJECT IMPLEMENTATION SCHEDULE AND PERFORMANCE MEASUREMENT GOALS

Performance measurement is an effective management technique that enables those who receive grant funds (subrecipients) and the County of Ocean to analyze the benefits of their investments. This mechanism tracks the progression of projects and evaluates their overall effectiveness and success in meeting project goals. One of the most important overall goals in planning a CDBG project is the completion of the project in a timely manner<sup>35</sup>. When partners do not deliver on time, or do not expend funds in a timely way, activities and services delay, ultimately affecting beneficiaries. This spending backlog means people are not receiving much needed benefits. It is important that grantees stay on top of spending as backlogs can have compounding effects. When one CDBG project falls behind, it can divert attention from other projects. It may also indicate deficiencies with the grantee's planning and project management and impair a grantee's overall capacity to administer its CDBG grants efficiently.

HUD's timeliness compliance policy is as states:

- a.) A grantee [Ocean County] is considered to be in compliance, if 60 days prior to the end of its program year, there is no more than 1.50 times its annual grant remaining in the line of credit.
- b.) Failure to meet the 1.50 standard when the 60-day test is next conducted (typically a year later) will result in a reduction of the next fiscal year grant by 100% of the amount in excess of 1.50 times the annual grant, except where HUD determines that the untimeliness resulted from factors beyond the reasonable control of the grantee.

Timely performance is imperative to the program operating smoothly. Further:

1. Backlog expenditures affect the drawdown rate.
2. If a subrecipient is non-compliant with timely expenditure requirements, then a grantee becomes non-compliant as well.

Pursuant to Federal timeliness regulations, [24 CFR 570.902](#)<sup>36</sup> and [24 CFR 91.15\(a\)\(1\)](#)<sup>37</sup>, our jurisdiction must submit its Five-Year Consolidated Plan and/or Annual Action Plan to HUD at least 45 days before the start of our annual program year start date July 1st. By this date, if your activity is non-compliant with the HUD's timeliness standard then HUD does not grant a waiver in this instance. As a result, the County of Ocean's CDBG program and the [agency/organization] CDBG grant may fall under the [sanction policy](#)<sup>38</sup>.

When non-compliance with a federal statute occurs, HUD delivers a notification immediately to our chief elected official. Prior to a grant reduction, each grantee [Ocean County] is entitled to an informal consultation as provided for in [24 CFR 570.911](#)<sup>39</sup> of the CDBG regulations. At that time, the grantee [Ocean County] will have the opportunity to demonstrate how factors beyond its reasonable control caused significant delays in program implementation and affected timely performance. The burden will be on the grantee [Ocean County] to make a compelling argument that it qualifies for the exception.

<sup>35</sup> <https://www.hudexchange.info/sites/onecpd/assets/File/CDBG-Timeliness-Transcript.pdf>

<sup>36</sup> <https://www.gpo.gov/fdsys/pkg/CFR-2013-title24-vol3/pdf/CFR-2013-title24-vol3-sec570-902.pdf>

<sup>37</sup> <https://www.gpo.gov/fdsys/pkg/CFR-2010-title24-vol1/pdf/CFR-2010-title24-vol1-sec91-15.pdf>

<sup>38</sup> <https://archives.hud.gov/offices/cpd/library/timeltr.cfm>

<sup>39</sup> <https://www.govinfo.gov/content/pkg/CFR-2013-title24-vol3/pdf/CFR-2013-title24-vol3-sec570-911.pdf>

## EQUAL ACCESS TO HOUSING FINAL RULE

On September 21, 2016, HUD published a final rule in the Federal Register<sup>40</sup> entitled “Equal Access in Accordance with an Individual’s Gender Identity in Community Planning and Development Programs.” Through this final rule, HUD ensures equal access to individuals in accordance with their gender identity in programs and shelter funded under programs administered by HUD’s Office of Community Planning and Development (CPD). The final rule requires that recipients and subrecipients of CPD funding, as well as owners, operators, and managers of shelters, and other buildings and facilities and providers of services funded in whole or in part by any CPD program to grant equal access to such facilities, and other buildings and facilities, benefits, accommodations and services to individuals in accordance with the individual’s gender identity, and in a manner that affords equal access to the individual’s family<sup>41</sup>.

As a new program regulation, failure to comply with the requirements of this rule will be considered a violation of program requirements and will subject the non-compliant grantee to all sanctions and penalties available for program requirement violations.

## DUPLICATION OF BENEFITS

A duplication of benefits occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance. A duplication of benefits occurs when an applicant (1) receives assistance from multiple sources intended for the same purpose or (2) the amount of assistance provided exceeds the total identified need.

When applicable HUD will require prevention of duplication of benefits for the appropriate additional financial assistance. Each grantee must have adequate procedures in place that subject the grant to oversight, reporting, and monitoring requirements to prevent the duplication of benefits, which means grant funds may not pay costs if another source of financial assistance is available to pay that cost. Awarded subrecipients will be required to certify during the contract term that there is no supplanting of federal funds for requested programs or projects.

## FEDERAL REQUIREMENTS

The applicant shall comply with all applicable state, local, and federal laws, regulations and requirements, and all provisions of the grant agreements received by the County from the U.S. Department of Housing and Urban Development (HUD). These include but are not limited to compliance with the provisions of the Housing and Community Development Act of 1974 and all rules, regulations, guidelines and circulars promulgated by the various federal departments, agencies, administrations and commissions relating to the CDBG Program.

---

<sup>40</sup> <https://www.federalregister.gov/documents/2016/09/21/2016-22589/equal-access-in-accordance-with-an-individuals-gender-identity-in-community-planning-and-development>

<sup>41</sup> <https://www.hudexchange.info/resource/1991/equal-access-to-housing-final-rule/>