

2022 WATER-RELATED INFRASTRUCTURE CDBG FUNDING ROUND FAQ

SUBMIT questions to CDBG@michigan.org by 5/4/2022 (last day)

Following are questions received before 4/1/2022:

- 1. How much money is available this grant round?**
 - A. \$15,000,000 is available for this Water Related Infrastructure (WRI) funding round.

- 2. How many total applicants applied last time?**
 - A. 62 communities applied for 2021 WRI funding round.

- 3. Is it a complicated and long process to register the City on the MDEC's Low- and Moderate-Income Customer List?**
 - A. A community would need to be listed on the CDBG Customer Community list prior to the 2022 WRI funding round going live.

- 4. Are there prerequisite steps that the City will need to complete prior to the MEDC Water Related Infrastructure deadline for this year's cycle?**
 - A. See eligibility criteria in the application and instructions.

- 5. The City already qualifies as a Middle 1/3 Median Household in the Michigan DNR's Recreation Passport DNR Grant Program and receives "Financial Need of the Applicant" points in its grant scoring rules. Does this status carry over to the Michigan MEDC?**
 - A. No, a community needs to be on the CDBG Customer Community list posted on the website in order to be eligible.

- 6. We currently have a CDBG that is wrapping up in our downtown area and are working on submitted a 2nd CDBG for Public Facilities. Would you recommend applying for this water specific grant as well or will having 1 open project and 1 under review reflect negatively on our application?**
 - A. A community should apply for funding if it has an identified need. Another CDBG project under review at the time of scoring for this round would not impact the scoring. However, if the community were issued a LOI for the other CDBG opportunity and also had an existing project the community would not be awarded the additional points for having a total of 1 current project or project under a LOI.

- 7. I just wanted to verify that to achieve the 15 points for the match portion of the grant that the community must be at or above 25%?
Would someone between 21 and 24% be at 10 points?**

10% = 0 points
11-15% = 5 points
16-20% = 10 points
25% and above = 15 points

 - A. Yes, 16 to 24 percent in this section is 10 points. It has been clarified and updated in the scoring and application materials.

Following are questions received between 4/1/22 and 4/14/22:

- 8. I am looking for clarification on Section 5 of the application: "The grant request for traditional infrastructure is between \$500,000 and \$2,000,000".
Is \$2,000,000 the maximum project total or the maximum funding from the MEDC?**
 - A. \$2,000,000 is the maximum amount of CDBG assistance that can be requested.

9. **Can we complete the project with multiple bid letting for different portions of the project, i.e. a contract for water main valve replacements followed by a bid for water main replacements or does everything have to be in one bid package?**
 - A. We would prefer that there be one prime contractor for the entire project.
10. **The timeline says “last day for construction to begin” is May 31, 2023 with construction complete by Dec. 31, 2024.
What is your definition of construction start?
Can that be a design start or do you want a contractor placing pipe in the ground?**
 - A. Construction start could range from shovels in the ground to erecting fencing around the project site. Project engineering will have been completed by then.
11. **Would it be acceptable to include in this year’s application several items from an application we made last year? Items such as the Community Development Plan, Certification Documentation, Statement of Assurances, CIP, Anti-Displacement, etc....?**
 - A. All required information needs to be submitted with the application. If information previously submitted is still current, you can submit the same material.

Following are questions from the 4/20/22 Conference Call Q&A and the CDBG mailbox between 4/15/22 and 4/21/22:

12. **Part of an industrial park is served by the existing public water and sewer service; but the back of the industrial park is no. Would extension of the watermain and gravity sewer to serve the back part of the industrial park and provide watermain looping be eligible for WRI grant funding?**
 - A. The project needs to provide an areawide benefit to the residents of the community. Improvements to just an industrial park would not be eligible.
13. **How much information would you like to see in the application itself? For example, 10.C referring to Health, Sanitation, and Security, Aging Infrastructure etc. Is there a max word count? Should this information go in narrative or both areas?**
 - A. Applications may include supplemental and additional information. Any information you would like considered for scoring purposes needs to be included clearly and concisely in the narrative.
14. **Some communities are no longer listed on the low/mod list and no new surveys are being conducted currently due to COVID. When do you anticipate this will be allowed again?**
 - A. Allowing new surveys may be considered after HUD releases its next data set.
15. **For wastewater related project, is it a requirement to have all village residents connected to the sewer system (i.e., no residents on their own onsite treatment/septic system)?**
 - A. We are making the business case to HUD that the improvements are realized by all residents of the LMI community. If some residents are on septic, and it is a sewer related project, we would want the number of individuals on septic to be identified and a description as to the value of the project to the remainder of the residents.
16. **Can you speak further on what is considered an improvement vs. a repair/maintenance that is ineligible? For example, would water tower painting be considered an improvement?**
 - A. Most communities have budgets for ongoing maintenance and to cover repairs, with improvements identified in the CIP. Painting a water tower would have to be a part, and described as, addressing a specific health and safety need of the community.
17. **Is the Community Development narrative the same as 10C?**
 - A. The narrative identifies how the project fits into the community’s goals versus if the project is in the CIP.
18. **Are you able to share with us who the communities that already received the 2020 IR and 2021 WRI grant?**
 - A. On the WRI 2022 webpage, 3rd bullet

19. Can you please say where we can find the scoring criteria?

A. On the WRI 2022 webpage, scroll down to Scoring Criteria

20. How many of the 61 applications were funded last year?

A. 11 communities were funded last year.

21. We are submitting a grant application for work that will be starting in 2022. We have completed design and engineering and the project recently went out to bid and the bid is slated to be awarded in mid-May. Due to lead times on equipment and seasonal construction windows there is a pressing need to award the contract as soon as possible.

In the grant instructions it says the “The UGLG must receive written authorization from the CDBG Program prior to entering into any contracts or incurring project related costs. Failure to receive written authorization could jeopardize CDBG funding.” How do we arrange to get authorization to award the contract and still maintain our eligibility for the CDGB WRI grant?

A. A project will not be able to award contracts or incur cost until the necessary CDBG compliance had been completed. For costs that will be split with CDBG, like construction, etc., no contracts can be awarded, or costs incurred until the project is in a CDBG grant agreement and the CDBG procurement process is able to be completed. This would have to happen after MSF Board approval, which would not be until after the September MSF board meeting. Projects that are unable to meet the required timing may unfortunately not be able to take part in this particular funding opportunity.

Following are questions received between 4/21/22 and 4/28/22:

22. The WRI funds are federal funds with the MEDC as the pass-through agency correct?

A. The Michigan Strategic Fund is the entity that receives and allocates CDBG funds. The MEDC provides capacity via staffing, etc.

23. For the MEDC WRI grant application can you please clarify question 10E, the square footage of public space being improved. Since a requirement of the project is to benefit the entire community is this question asking for the size of the community in square feet? Or the square footage of area disturbed during construction of the proposed project?

A. We are trying to identify the square footage of the public space that is being improved.

24. Can outside entities send letters of support or additional information on behalf of an application directly to cdbg@michigan.org ?

A. No, all materials should be collected and submitted as a part of the community’s application. Information submitted outside of the application will not be reviewed for scoring or other purposes.

Following are questions received between 4/29/22 and 5/4/22. These are the final FAQs.

25. As part of the Grant Application a Published Public Notice needs to be completed for the public hearing. There is not a newspaper that is regularly published within the County the community is located within. The local paper is only published on Wednesday of each week. What are the requirements for Published? Is there a minimum number of days that it needs to be published? If more than 1 day, the local paper will not meet the requirements. If it is printed and posted at the Township Office and posted to the Township’s facebook page does this meet the requirements? If not, how can the community meet the requirements. They can publish it in a nearby newspaper, but the nearby newspapers are not local to the community and do not serve the community (any other option is in the neighboring counties).

A. The public hearing notice has to be published five days prior to the public hearing. It does not have to be run five consecutive days.

26. **Can a community have a public hearing May 9th (evening) and publish notice in local paper dated May 5th? Would that count as 5 days' notice? It could be posted at city hall before May 5th, but the local paper they typically notice in only published weekly.**

A. The public hearing notice has to be published five days prior to the public hearing.

27. **In section 9 UGLG Funding Sources, why is it necessary to separate ACT51 Funds from Road, Water, and/or Sewer Funds?**

Also, if community wants to use ARPA funds should that be listed separately?

A. ACT51 funds are eligible to be utilized as a source of funding for the WRI project but does not count towards the applicants 10% cash match. ARPA funds will need to be currently available at the time of application and should be listed as other funds as well.

28. **We have a project that includes LCR services. We understand that these replacements are eligible project costs, but only within the areas controlled by the local agency (i.e. ROW). We also understand the community is responsible for costs outside of the ROW but can use those costs as credit for the match amount. Can you explain how those "ineligible" costs are included in the project budget.**

For example, we have \$1M project for all eligible items (construction, engineering, etc), \$100K in private LCR work, and the City wants to achieve a 25% match. Does the City calculate its match on total project cost (\$1.1M X 25% = \$275K)? In that scenario, would the \$100K in private LCR work be part of the \$275K match?

A. In this example the total project cost is \$1.1M. A 25% match would be \$275K. The \$100K in LCR could be a part of the \$275K.

29. **As part of the application for the WRI program, the instructions to the application indicate that the UGLG would need to identify the funds that are available that the UGLG has committed to the project. The examples of local resources include bonds and indicates that they must be immediately available. If the UGLG anticipated issuing to bonds to finance a portion of the total project cost (as opposed to satisfying its 10% match), do the bonds have to be issued at the time of the application or can they be issued prior to commencement of construction? In other words, would the bond proceeds only have to be available if they were going to be used to satisfy the UGLG's match as opposed to paying other costs of the project?**

A. All financing needs to be available at the time of application. Financing that is applied for, but not secured, will not be considered available for the purposes of this application.

30. **Question on multiple funding sources and timing.**

A community applies for a \$2,000,000 grant and supplies a 25% match of \$667,000. The total project cost is \$2,667,000.

Can they obtain addition funding to extend the project limits after the application is submitted?

For example, a community replaces a utility and resurfaces the street within the \$2.67M project. The community would like to pave more of the street beyond the limits of the utility replacement but cannot afford to do so without additional grant funding. The community then obtains another \$250,000 grant to add addition paving area that extends beyond the scope of the utility replacement. Is that allowed if the funding and construction schedules align? Would the original match amount of \$667,000 hold?

It is understood that the environmental review would have to include the new project area.

A. At the time of application, the community should include all activities it considers to be a part of the project scope. Only unexpected circumstances will be considered for inclusion after an application is submitted.