

Q&A 2025 WATER-RELATED INFRASTRUCTURE CDBG FUNDING ROUND

The following are questions received as of 5/22/2025:

- 1. A community is completing a project that may be funded under the DWSRF. If the community also receives a grant through WRI, can the grant agreement be coordinated in such a way that the project remains under the DWSRF program, and the WFI grant funds can be used by the City to pay down the DWSRF loan?**

A) No, this funding round cannot pay down a loan as part of this funding round. However, a community could reduce its loan amount if it receives the grant. To be eligible to receive the WRI grant, the project cannot be underway and costs cannot be incurred.

The following are questions received as of 5/15/2025:

- 1. As a former grantee community, we believe we must provide citizens with information regarding the applicant's performance in the public hearing notice. Can you please answer the questions below related to the information to be provided within the public hearing notice.**

- a. **What information needs to be included if we need to provide that information in the public hearing notice?**
- b. **Is there a certain time frame in which we need to report on?**
- c. **Which CDBG grants were awarded and which ones we were not?**
- d. **How much money did we receive and spend?**

A) As a point of clarification, the community applicant must have a public hearing to notify citizens of this new application. Applicants do not need to provide information on former grants in their public hearing notice.

- 2. Is a project that consists entirely of Service Line Replacement Eligible (i.e. using grant funding for the public portion and matching for the private portion of the work)?**

A) Yes. Please note that CDBG grant funds can only be allocated to service line replacement/infrastructure improvements on public property. Please refer to the WRI 2025 Application Instructions, pages 2,5, and 7 that address what activities on private property are eligible and ineligible for this funding round. [2025-wri-instructions.pdf](#)

- 3. Can a community utilize the adopted residential anti-displacement and relocation plan that was approved in 2019.**

A) Yes, a community can utilize previously adopted anti-displacement and relocation plans. The community may wish to review the documents for present accuracy, but new plans do not need to be approved.

- 4. Does the Maintenance Plan and Community Development narrative need to be adopted by council or if are produced as documents and included enough for the attachment requirement.**

- A) It is not a program requirement that the maintenance plan and community development narrative be approved by Council. However, the community would need to be able to show the ability to implement the maintenance plan. If a financial commitment is required for maintenance, the community would need to follow its own budgetary approval process before a grant can be awarded.
- 5. If the DWSRF funding has been awarded and a contract in place to replace private service lines within the project, can this be used for match contribution given, or does it need to be part of the bid project occurring after grant approval.**
- A) DWSRF funding is state funding and so those funds could not be scored as local match. The DWSRF grant project activities would not be able to commence until the proposed WRI project is awarded and a Release of Funds is provided for both activities (i.e. CDBG and DWSRF).

The following are questions received as of 5/8/2025:

- 1. I am working with some communities that are considering proposing a municipal revenue bond to meet match requirements for the 2025 WRI Program. The application instructions state that bonds are an acceptable method of local match, but they must be immediately available. Is the expectation that the community has closed on a bond and the funds are immediately available at the time of the application?**
- A) Yes, the applicant community must have secured and closed on the bond to use bonding as a funding source and to receive points.
- 2. A community is interested in applying for funding, but they are not listed on the HUD Low and Mod. Income - ACS 2020 list, does that mean they are not eligible to apply?**
- A) Yes, the community would be ineligible to apply for funds.
- 3. For the project budget, could you provide guidance on the amounts to assign for the Administrative Services-CGA and the Administrative-3rd Party Environmental.**
- A) The UGLG does not need to estimate the costs of those activities at this time.
- 4. There is a potential applicant community that is part of an Authority for water and sewer. The questions regarding the application are:**
- Who needs to be the lead applicant on the application? Authority or City?**
- A) A Unit of General Local Government must be the lead applicant. Only a Unit of General Local Government can be an applicant. No other entity types can be an applicant.
- If funds are allocated, can contracts be run through the authority and funds received by the Authority?**
- A) No. If awarded, all contracts and funds must be run through the applicant Unit of General Local Government (Community).
- In the advertisement, should it be mentioned that the community is a part of the authority?**
- A) That is not a program requirement but can be included in the advertisement.

A Public hearing is being scheduled at a regular meeting for the Authority. Is this ok or should it occur at the Community's council meeting?

A) As the lead applicant, a public hearing must be held by the UGLG applicant.

Below please find an excerpt from Page 3 of the Application Instructions. We advise that you carefully review the eligibility criteria of applicants prior to submitting a grant application. A link to the WRI 2025 Application Instructions can be found here: [WRI Instructions](#)

Excerpt From Application Instructions:

“Eligible applicants may submit one of two types of applications:

1. An Individual Application may be submitted by an eligible applicant for a project located within its corporate limits and benefitting only those residents within its corporate limits;
2. *On behalf of multiple UGLGs or on behalf of an Authority serving multiple UGLGs, a Joint Application may be submitted by an eligible Lead Applicant for a mutual need of multiple UGLGs. To consider a Joint Application, a resolution will be required from each UGLG outlining which UGLG will be the Lead Applicant and outlining the responsibilities of all UGLGs. The Lead Applicant needs to be listed as the UGLG and be on the HUD Low-Moderate Income ACS 2020 List. The Applicant must be able to clearly show how the proposed project benefits the residents of all UGLGs and that at least 51% of all beneficiaries (the aggregate of all UGLGs involved) are low- and moderate-income persons.”*

What is required for a grantee community to meet the Anti-Displacement Requirements.

A) A template document the applicant UGLG can adopt is in the Application Instructions document, page 18. It is titled Attachment J.

5. Can a non-profit organization apply for a WRI grant on behalf of communities? In other words, communities within one or both Counties would be the subgrantees and a nonprofit would submit an application that encompasses projects for several communities.

A) No. Only a Unit of General Local Government can be an applicant and potential grant recipient of funds.

The following are questions received as of 5/1/2025:

1. If, to replace a utility, one side of an intersection will need to have sidewalk ramps replaced, is it eligible under the grant to fix all non-ADA compliant sidewalk ramps at that intersection, even if they are not directly in the way of the replaced utility?

A) The replacement of any ramps needs to be required to complete the proposed water-related infrastructure activities. The CDBG WRI grant funding can only be allocated towards eligible activities. The local government could pay towards the sidewalk ramps not directly in the way of the replaced utility, but the costs will be subject to all federal compliance requirements.

The following are questions received as of 4/24/2025:

1. We are working with a City on significant water system infrastructure improvements. This includes a new Water Treatment Plant (WTP), to resolve compliance issues and potential public health risk at the existing WTP.

The City is significantly overburdened and is working through funding for the projects under the DWSRF (EGLE). However, there is a low amount of principal forgiveness for the \$14,000,000 projects, and the City has a large match obligation that is concerning for the community.

We would like to explore an application to the CDBG WRI funding for the WTP replacement project to supplement the DWSRF funding and alleviate the financial burden on the community. Is this possible?

A) It is possible as long as no project activities have started and the community can wait until all CDBG compliance items (including the NEPA Environmental Review which could take 90-120 days), are completed and authorized by the CDBG program to move forward.

2. The grant applicant is planning to address a large area for water and sewer utility work. As part of that work, they'd like to reconstruct roads in the area that don't have any utility work but connect streets that do, to address the area comprehensively.

I believe that means the costs for the road work on those streets will not be eligible, but can they include it in the grant project as non-grant participating scope and cost that is all UGLG paid?

A) Correct. The cost of project activities could be included, however, would be subject to all federal compliance including prevailing wage and sealed bid procurement, with the cost being the responsibility of the UGLG.

3. Can the resolution to apply for the WRI grant be passed on a date before the public hearing is held?

A) The Resolution would need to be passed by a public body during a publicly noticed meeting. Usually, the Resolution is passed at the same time the public hearing is held but that is not a program requirement.

4. The City is a subrecipient of CDBG funds through a CDBG Entitlement County. Does that make the city ineligible?

A) Yes.

The following are questions received as of 4/17/2025:

1. What steps need to be completed for a CDBG grant to be considered closed and a community eligible to apply for the 2025 WRI funding round?

A) The following checklist items must be completed for a community's CDBG grant to be considered closed and a community able to apply for the 2025 WRI funding Round:

- ☐ UGLG submitted the final Construction disbursement request in Salesforce
- ☐ UGLG submitted the final administrative disbursement request in Salesforce
- ☐ UGLG submitted the GAM 1-A Final Progress Report
- ☐ UGLG has drawn down all CDBG grant funds, or, submitted a signed GAM 13-C Grant Decrease Form

☐ UGLG has held a Closeout Public Hearing

2. Are there any communities ineligible to apply for the CDBG WRI funding round?

A) As indicated on the HUD Low-Moderate Income ACS 2020 list, the following **counties, and communities located within the county**, are not eligible to directly apply or directly receive CDBG Funds unless they can provide documentation that they have opted out of their direct HUD allocation and were accounted for in the State's current formula allocation. ***Genesee County, Kent County, Macomb County, Oakland County, Washtenaw County and Wayne County.***

The following Michigan cities are not eligible to directly apply or directly receive CDBG Funds: ***Battle Creek, Bay City, Benton Harbor, East Lansing, Holland, Jackson, Kalamazoo, Lansing, Midland, Monroe, Muskegon, Muskegon Heights, Niles, Norton Shores, Portage, Port Huron and Saginaw.***

3. If a community has no existing infrastructure in place for water and sewer, would they be eligible and is that considered an "improvement to the water lines and related facilities"?

A) No, the community would not be eligible. As indicated the Application Instructions, the purpose of the funding round is to upgrade and make necessary improvements to existing public infrastructure.

4. I am working with a community who has lead goosenecks in their system. These goosenecks were found as a part of the 20% minimum Lead Service Line Replacement (LSLR) physical verification process. Would further physical verification to determine locations of other lead goosenecks be an eligible activity under the Water-Related Infrastructure Grant?

A) The 2025 WRI grant funds are not able to fund exploratory activities. See Application Instructions, page 7, for additional information related to LCR requirements. [2025-wri-instructions.pdf](#).

5. I'm inquiring about the 2025 Water-Related Infrastructure Round opportunity. A City is not on the HUD Low and Moderate Income-ACS 2020 list, but I believe more than 51% of residents are at or below moderate income households. Were there other factors of determination other than the 2020 American Community Survey?

A) No, the CDBG funding source is from the Department of Housing & Urban Development (HUD). Therefore, the MEDC is bound to use the data provided by the Department of Housing and Urban Development.

6. Is the Environmental Review required prior to application?

A) No, an Environmental Review is not required prior to application. If awarded, an Environmental Review will be completed as part of the project.

7. Does this program fund a design-only project or must the project include infrastructure construction as part of the funding application.

A) This program requires that infrastructure construction be completed as part of a project.

8. If the municipality applying for funding is hiring a consultant (i.e. engineer) to assist with the grant application, can the cost of the consultant's application effort be included in the grant amount?

A) No, any costs incurred part of the application is considered project development and cannot be reimbursed.

The following are questions received as of 4/10/2025:

- 1. I'm inquiring about the 2024 Water-Related Infrastructure Round opportunity. Our City is not on the HUD Low and Moderate Income-ACS 2020 list, but I believe more than 51% of residents are at or below moderate-income households. Were there other factors of determination other than the 2020 American Community Survey?**
 - A) No. All communities must be listed on the 2020 American Community Survey list and meet all program requirements. Please see the Note Section on the HUD Low and Moderate Income-ACS 2020 list for ineligible communities and counties. [HUD Low-Moderate Income-ACS 2020 List](#)
 - 2. Would a community who is in the process of closing out a CDBG project be eligible to apply for WRI funding if the final disbursement is made prior to the WRI application deadline?**
 - A) Please contact your CDBG Project Manager for assistance.
 - 3) Can another grant from EGLE serve as a local match? In this case the EGLE Affordability and Planning "AP" grant program is being used currently to design and permit a water system improvements project.**
 - A) Communities can bring other funding sources to the project. However, a community's match for scoring purposes is defined in the Application Instructions on page 4.
 - 4) Are existing funding program dollars saved up by municipalities, such as RRI [USDA] funds, eligible for use toward the contribution match portion of the project? For example, a client wants to contribute 11% of the total project cost (to achieve a higher score in the funding application) but does not have enough funds outside of their RRI savings to meet their needs, thus would like to utilize these funds for the project within this new application.**
 - A) Please see response to Question #3 above.
 - 5) Are recent public utility repairs eligible for reimbursement under this source of funding, pending a community gets awarded? For example, can recent Type 1 well repair costs (i.e., new well pump, well video & inspection, etc. rehabilitation) be included in the project cost / proposed budget within the grant application?**
 - A) No. All eligible costs need to be incurred during the term of work during the 2025 CDBG WRI grant.
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The following are questions received as of 4/4/2025:

- 1) How much grant funding is available for this round?**
 - A) \$20,000,000 has been allocated for the funding round.
- 2) Can a CDBG WRI grant be used for projects that have already been designed and/or are already in construction (assuming the scope is eligible)?**
 - A) Projects already under construction are not eligible to apply for this funding round. Proposed projects that have been designed but have not yet begun construction may be eligible depending upon the ability to meet federal requirements.
- 3) Can CWSRF or DWSRF funds be used as the community's match?**

A) Yes, if those funds are committed, a community can leverage the outside funding sources. However, a community's match for scoring purposes is defined in the Application Instructions on page 4.

4) For the current WRI funding round, can the engineering firm designing/administering the project also provide the CGA services?

A) Per the program guidelines, either a MEDC Certified Grant Administrator or UGLG staff member that is a Certified Grant Administrator can administer the project. A list of Certified Grant Administrators can be found here: [14-C Certified Grant Administrators List](#)

5) I am writing to confirm eligibility status for a City as it relates to this specific CDBG funding opportunity. For example, if the City is within Wayne County I believe this would mean that since it is a community located within an ineligible county, it is not eligible to directly apply for this grant.

A) Correct.

6) Are communities that have received CDBG housing grants ineligible to receive funding?

A) For clarification, communities that have open 2021 Water Related Infrastructure (WRI), 2022 WRI, 2021 Public Gathering Space (PGSI), and 2022 PGSI awards or projects are ineligible to apply.

7) Communities with an open CDBG grant or MSF award are not eligible for this funding, but can a community apply for another CDBG grant after receiving the WRI funding?

A) Please see the response to Question 6. We are unable to provide guidance related to future CDBG funding opportunities.

8) A community would like to apply for WRI funding, but they were wondering if they still had a CDBG grant open that makes them ineligible at this time. There has been some turnover in staff and they've asked us to look into this for them. Any information you can provide would be greatly appreciated.

A) Please contact your CDBG Project Manager or MEDC Community Development Manager