

**2021 WATER-RELATED INFRASTRUCTURE  
CDBG FUNDING ROUND FAQ**

**QUESTIONS SUBMITTED BY 5/12/2021**

- 1. We have a client who is interested in increasing their match percentage but fears it will put them below the \$500,000 grant window and is concerned that will make them ineligible if the grant has to be \$500,000. The project request would however be over \$500,000. So their question is, does the \$500,00-\$2,000,000 window for a project cost or a grant amount? If a client has a \$550,000 project and they want to do a 20% match that would only put them at \$440,000 as a requested grant amount. Would they need to only do a larger project or a lower percentage match, so they are at a \$500,000 grant request amount? Or because that is a \$550,000 project that is acceptable?**
  - A. Regardless of the amount of match the community is contributing (minimum of 10% total project cost) the CDBG request must be at least \$500,000. An application that requests less than \$500,000 in CDBG project funding will be identified as ineligible.
- 2. Can the acquisition/cost of an easement count towards the local match?**
  - A. Acquisition costs related to an easement could be considered match for the project.
- 3. Under the 2021 CDBG WRI Grant Program funding, assuming a community has no lead water service lines within proposed improvement area, are water service replacements, from replacement watermain to the right-of-way, eligible for CDBG WRI Grant?**
  - A. Only lead and galvanized service lines or similar replacements that are required to be replaced by the LCR in order to get CDBG project permitting are allowable.

**QUESTIONS SUBMITTED BY 5/5/2021**

- 1. I had a community reach out that they are looking at applying for the WRI round of funding and wanted my assistance filling out the application. Now if I do that it prevents me from bidding on the administration of the project, correct?**
  - A. No, prior assistance would not preclude someone from bidding on the CGA work. It would be a separate contract.
- 2. Are lead service line replacements eligible for this grant? Can water service line replacement costs that are NOT associated with a water main replacement be counted toward the 10% match?**
  - A. Replacement is allowed only if the LCR requirements dictate that they be replaced. Lead and galvanized service line replacement would not be eligible on its own if not required by the LCR.
- 3. Many communities do not have a completed inventory meaning their lead lines are not 100% identified. Given this, how would communities show this in preliminary plans?**
  - A. Communities are responsible to for identifying all project activities.

**4. Would replacing media in a wastewater treatment tank that has exceeded its useful design life be an eligible project under the WRI grant?**

A. Yes, but the scoring for the round is tailored towards health and safety concerns.

**5. Can MEDC please define to what level of detail the preliminary plans and specifications need?**

A. Preliminary plans and specs need to be completed to the extent that project activities, estimated costs and location can be identified to establish eligibility and amount of the request.

**6. Does a MCACA grant application count as an MEDC/CDBG grant?**

**Does a rental rehabilitation grant through MSHDA count as a MEDC/CDBG grant?**

**I ask because the instructions say we cannot have more than one open MEDC grant in order to qualify for a WRI grant.**

A. Only State CDBG grants or project LOI's count.

**7. Replace two 500,000 gallon clear well, finished water, storage tanks at the water production plant with two new 750,000-gallon tanks. The existing tanks are 1922 and 1935 vintage and have exceeded their useful life. Total project cost is estimated at \$6,605,000 of which we would be requesting \$2,000,000 in WRI funding.**

**It states in the application that the funds cannot be used for "extending or upsizing existing utilities for future growth". In this case the upsize is needed to meet current demands when one of the tanks is out of service, typically done annually, for cleaning and maintenance. The additional capacity is not for future growth but to ensure adequate water supply is available during the service periods. Will this increase, for the reasons stated, eliminate this project from funding?**

A. If the increase in capacity is required to alleviate an existing issue, or required to meet a code, it would be eligible. Additional capacity intended to meet future use only is not eligible.

**8. It states under 11 A II. 1 that the "project activities can benefit only the residents of the UGLG (no more and no less). In the case of these water storage tanks the City of Alpena serves areas outside of the City with water and sewer service. There is no way to separate the water once it goes into the distribution system and thus any water passing through these tanks, which all of the water produced does, will be distributed to all customers either inside the UGLG or outside. We cannot accomplish this project without serving customers outside of the UGLG. Will this make this application ineligible?**

A. Page 3 of the Application Instructions discusses project eligibility when multiple communities are involved.

**9. So, we must have the public hearing prior to the authorizing resolution correct? Or should the resolution be passed at the public hearing meeting? We planned on taking the resolution to the May 17<sup>th</sup> Council meeting and having public hearing after that at a special meeting since the application must be complete. I'm a little confused why we'd want to continue working on the application if the community doesn't want us to submit the grant???**

A. Typically, a community will pass the resolution at the same meeting as the public hearing.

**10. There is a township on the LMI list. Within the township there is a sewer system. The sewer system does not provide service to everyone in the township. Would a project for the sewer system be eligible for this grant if the sewer system does not provide or have the option to provide service to everyone in the township? There is an environmental benefit to the entire township to have the project to address deficiencies in the system**

A. Assuming the other residents are on septic

**11. Does the \$500,00-\$2,000,000 window for a project cost or a grant amount? If a client has a \$550,000 project and they want to do a 20% match that would only put them at \$440,000 as a requested grant amount. Would they need to only do a larger project or a lower percentage so they are at a \$500,000 grant request amount? Or because that is a \$550,000 project that is acceptable?**

A. The CDBG request needs to be at least \$500,000 to be eligible.

**12. For project need there are three (3) categories: Health Sanitation, and Security, Aging Infrastructure, and Capacity Concerns. Do we have to address all three categories or just 1, 2, or 3?**

A. All three are scored. Include any relevant information.

#### **QUESTIONS SUBMITTED BY 4/21/2021**

**1. Is this a matching grant and what amount.**

A. The applicant needs to have a committed match of at least 10% of total project costs.

**2. A community has preliminary plans for a (drinking) water treatment facility. Would this be an eligible infrastructure expense?**

A. Costs that were incurred prior to being selected to move forward and authorized by the CDBG Program Specialist are considered project development and would not be eligible to be considered to be match.

**3. Is it okay if the City uses the bond money as part of their match?**

A. If using bonds and/or other resources, evidence that the funds are available at the time of the application must be attached and labeled as Attachment O. Refer to Section 1(B) of the Instructions.

**4. Would replacing media in a wastewater treatment tank that has exceeded its useful design life be an eligible project under the WRI grant?**

A. Please see page 2 of the Instructions for a description of eligible and ineligible costs. It appears the activities would be eligible.

## **QUESTIONS SUBMITTED BY 4/14/2021**

**1. In the attachment it asks for a statement of need and references section 6 and question 10(c). There is no 10(c). It's just 10(a) and 10(b). Do you want the statement of need included in the answer to 10(b)?**

A. The final draft of the application omitted 10 (C) (D) and (E). The corrected application is now on the website with a 4/16/2021 version date and should be used.

**2. Who are the eligible applicants? Are tribes eligible?**

A. Projects must be located in a Community listed on the CDBG Low/Mod Income Community Customers and Project Areas list and the project must benefit the entire community.

Link to Low/Mod Income Community Customers and Project Areas:

<https://www.miplace.org/link/b0a6c32307c24fefba694ec950137f80.aspx>

**3. What is the total amount of the available funding pool?**

A. There is \$15M in CDBG funding set aside to fund this infrastructure round.

**4. Can an entity write a grant for improvements to more than one type of water infrastructure?**

A. Yes, a community can address more than one type of water infrastructure need within a grant application.

**5. Do applicants need to RRC Engaged to apply for the WRI grant?**

A. No, applicants do not need to be RRC engaged for the WRI grants. However, we always encourage communities to engage with the MEDC's RRC program.

**6. Are communities that are not listed on the Low/Mod Income Community Customers and project Areas list eligible if they meet the minimum MHI?**

A. Only communities listed on the Low/Mod Income Community Customers and Project Areas list are eligible.

**7. Is QBS selection required for design/construction engineering services? Also, if it is required, at what stage in the project? Does it have to be done prior to the grant application? If an engineering firm assists a municipality with the grant application, can that firm also provide design engineering services, or does QBS need to be done BEFORE?**

A. The procurement process utilized by the applicant needs to meet HUD standards once a project has been identified to move forward. However, an applicant does not need to meet any specific procurement standard when contracting for pre-development services needed to apply for funding, as pre-development services do not count as match.

**8. In the application under "Section 5. ELIGIBILITY REQUIREMENTS" the last item that needs to be checked is acknowledging that the UGLG has a set of project plans and specifications. However, the grant says it will pay for engineering which, if plans and specs are done, would have already**

**occurred. Is this program for only “shovel-ready” projects? Do we indeed need a set of designed plans and specs?**

A. The funding round requires “preliminary project plans and specifications” be included as Attachment M. Preliminary costs are not eligible to be counted as match or eligible to be reimbursed with CDBG funding, however CDBG can assist with costs related to completing final stamped plans and specs that would be done under a contracted executed after an applicant is selected to move forward.

**9. Can grant money be used to purchase equipment such as a tractor truck to maintain sanitary and storm sewers etc?**

A. No, the program will only fund hard infrastructure and related engineering.

**10. Can MEDC please define to what level of detail the preliminary plans and specifications need?**

A. Preliminary plans and specs need to be completed to the extent that project activities, estimated costs and location can be identified to establish eligibility and amount of the request.

**11. Can you purchase land for wastewater treatment system capacity expansion with the grant?**

A. No, the applicant needs to already either control the property or needs to acquire only an easement. CDBG will not pay for acquisition.

**12. Can a community fund the project match out of the general fund and secure bonds later?**

A. At time of application the community needs to have identified its ability to fund the project.