



How to Apply to the CDBG-Infrastructure Program	
1:00 p.m.	Welcome & Introductions
1:15 – 2:00 p.m.	<ul style="list-style-type: none"> • Discussion on Program Trends and Concerns • Cost per Connection Issue • Making Corrections in Surveys • Administrator and Engineer Roles • Vacancies in a Project • In the Same Footprint Projects
2:00 – 2:45	<ul style="list-style-type: none"> • CDBG-Infrastructure Program Overview • Starting the Project and Defining the Project Area • Surveying in the Time of COVID-19

Department of Environmental Quality



How to Apply to the CDBG-Infrastructure Program

2:45 – 4:00	<ul style="list-style-type: none"> • Priority Points System • Tab 8 Required Documentation • Application Submission Requirements • Application Preparation Expenses • Procurement of Services
4:00 – 4:30	Questions and Answers; Technical Assistance

Department of Environmental Quality



3

Documents to Download

- ✓ PowerPoint Presentation
- ✓ Additional Information for Special Consideration Guidance
- ✓ **CDBG Priority Rating System and Priority Points** sheet
- ✓ **Appendix A – Determining LMI Percentage (updated)**
 - Survey Form & Instructions
- ✓ **Appendix B – Public Hearings (updated)**
 - Public Hearing Notice Template
 - Public Hearing Content Template
 - Public Hearing Minutes Template
- ✓ **Appendix C - IDIS Instructions**
 - IDIS Accomplishments and Beneficiaries Form
- ✓ Infrastructure National Objective Form
- ✓ CDP Notice CDP-17-013: Crossing Floodways

All forms plus NCDEQ Division Application & Guidance are at
<https://deq.nc.gov/about/divisions/water-infrastructure>

4

Discussion on Program Trends and Concerns

1. Cost per Connection
2. Making Corrections in Surveys
3. Administrator and Engineer Roles
4. Vacancies in the Project
5. In the Same Footprint Projects

6

Cost Per Connection

- The State Water Infrastructure Authority has all final decision-making authority. The Authority can fund projects out of rank order if they so desire.
- In projects where water or sewer is extended to connect to homes, they look at the cost per connection.
- They will question high costs per connection.
- If you are planning to submit a project that extends water and sewer to homes with failing septic systems or wells, think about that cost per connection.
- Not aware of a threshold, but it might be helpful to look at home values to determine what might be considered excessive cost

6

Making Corrections in Surveys

- Last year, we did not emphasize the documentation we need to see on the surveys when changes are made to answers on the survey.
- As a result, we saw some interesting surveys in the application packages.
- **REMINDER:** If a change is made to the survey, whether it is a change in household income, or number, gender, or status of someone in the household, then the error needs to be crossed out, corrected, and both the surveyor and the person participating in the survey must date and initial the error. Otherwise, the survey is considered over income.

EXAMPLE:

	Income 1 person	Income 2 people
Extremely low	\$10,000	\$15,000
Very low	\$17,500	\$20,650 JHC 5/25/2020 SNM 5/25/2020
Low	\$21,200	\$25,430

7

Vacancies in a Project

- ✓ You all did well with vacancies in the project area last round.
- ✓ Vacant properties are not counted in the LMI calculation.
- ✓ Seasonal residents of a property may participate in water and sewer installation projects, water/wastewater treatment projects, etc.
- ✓ For seasonal homes, the seasonal residents must answer the survey. In the event of no response, the survey will be considered over income, and the property cannot be counted as a vacant property.
- ✓ If there are questions about whether a property is vacant or not, go to the Water Department and see if there is an active account at that address, or check with the Post Office to see if mail is being delivered to the address.

8

Grant Administrator vs. Engineer Roles

- ✓ Grant administrators ensure the project is compliant with applicable federal and state regulations, develop documents, maintain files, attend meetings dealing with the project, and ensure communication is flowing between the grantee, the engineer, and people in the project area.
- ✓ They *may* conduct the environmental review for the project.
- ✓ They *may* handle the payment requests.
- ✓ They are responsible for ensuring the LMI percentages are correct in the project documentation, and for verifying incomes if the project is connecting people to water/sewer.

9

Grant Administrator vs. Engineer Roles

- ✓ Engineers are responsible for the planning and design of the infrastructure being built.
- ✓ They are tasked with building the most cost-effective solution to the problem being presented.
- ✓ They are responsible for conferring with their employer, the grantee, when changes are needed in the project, and then working with the grant administrator to arrange for public hearings, if needed.
- ✓ Their seal is their livelihood, and professional reputation.
- ✓ They *may* conduct the environmental review for the project.
- ✓ They *may* handle the financial information in the project.

10

Grant Administrator vs. Engineer Roles

- ✓ Administrators do not become de facto mayors or county managers.
- ✓ Engineers do not become de facto mayors or county managers.
- ✓ Administrators do not tell engineers how to do their job.
- ✓ Engineers do not tell administrators how to do their job.
- ✓ Administrators may NOT claim service delivery fees in addition to their administration fees.
- ✓ Engineers may NOT claim administrative services in their engineering budget except for the engineering report and the environmental review document, should they be contracted to conduct that.

11

“In the Same Footprint”

- ✓ We are having issues with “in the same footprint” projects.
- ✓ “In the same footprint” means “in the same street”. It means existing water and sewer lines that are in the same street, and that need rehabilitation.
- ✓ The benefit accrues when the street is only dug up one time, instead of multiple times.
- ✓ “In the same footprint” does not mean on parallel streets. It does not mean in the same project area.
- ✓ “In the same footprint” does not apply to new construction.

12

CDBG-Infrastructure Program Overview

- ✓ The CDBG-Infrastructure Program aims to:
 - Create healthy living environments through financing public water and sewer infrastructure; and
 - Mitigate public and environmental health problems in areas where the percentage of low-to-moderate (LMI) income persons is at least 51% LMI.

- ✓ Each project must meet one of three national objectives:
 - **Benefit to low-to-moderate income people.**
 - Aid in the prevention of slums and blight.
 - Meet a need having a particular urgency.

- ✓ We can fund both water and wastewater projects

- ✓ No match is required

- ✓ Two types of communities in the CDBG Program: **Entitlement** communities (counties and towns/cities) get their funds directly from HUD and are generally larger than the non-entitlement communities. **Non-entitlement** communities (counties and towns/cities) get funding through the State and are generally smaller than the entitlement communities.

Department of Environmental Quality



Who is Eligible to Apply to the CDBG-I Program?

- ✓ Units of General Local Governments (UGLGs)
 - Towns/Cities/Villages* with populations of less than 50,000 – are eligible to apply
 - * Excludes entitlement cities: Asheville, Burlington, Cary, Chapel Hill, Charlotte, Concord, Durham, Fayetteville, Gastonia, Goldsboro, Greensboro, Greenville, Hickory, High Point, Jacksonville, Kannapolis, Lenoir, Morganton, New Bern, Raleigh, Rocky Mount, Salisbury, Wilmington and Winston-Salem
 - Counties* with populations of less than 200,000 – are eligible to apply
 - * Excludes entitlement counties: Wake, Mecklenburg, Cumberland and Union

- ✓ Single purpose units of government, such as water districts, are not eligible – must work with UGLGs on projects

- ✓ If an UGLG is served by a single purpose unit of government, they may apply for a grant to replace, repair, or up grade or extend infrastructure owned by a single purpose unit of government

Department of Environmental Quality



Additional CDBG Requirements, including, but not limited to, the following:

- ✓ Fair Housing Regulations and Non-Discrimination laws and regulations
- ✓ Citizen Participation Plan
- ✓ Language Access Plan
- ✓ Equal Employment Opportunity & Procurement
- ✓ Environmental Review Procedures (24 CFR Part 58)
- ✓ Section 504 of the Rehabilitation Act of 1973
- ✓ Americans with Disabilities Act
- ✓ Relocation Anti-Displacement and Relocation Assistance Plan
- ✓ Labor Standards – Davis Bacon Related Acts
- ✓ Excessive Force Provision
- ✓ Conflict of Interest
- ✓ Local Economic Benefit (Section 3 of the Housing and Urban Development Act of 1968)

Department of Environmental Quality



15

CDBG-I Allocation & Maximum Grant Amount

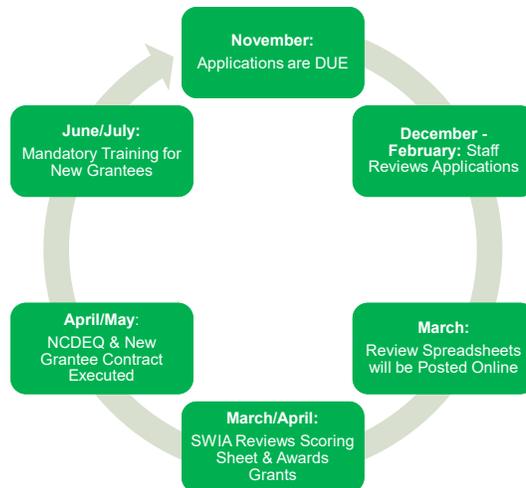


- ✓ We project \$25.2 million is available for 2020 funding round
- ✓ Maximum grant amount is \$2 million over three years
 - Three years begin at time of the contract execution date.
 - We didn't want you all to lose three to four months, so we have changed the calendar from date of award to date of contract execution.
- ✓ No more than three open grants within three years

Department of Environmental Quality



Application Review & Award Process



Department of Environmental Quality



Starting Project & Defining Project Area

- ✓ Strongly encourage communities to initiate community engagement activities early in the project planning stages. Virtual meetings are encouraged.
- ✓ Community meetings are where the income surveys may be discussed, where the regulatory requirements may be discussed, and where the benefits of the CDBG program can be discussed.
- ✓ To choose a project, the community may refer to its capital improvements plan or its asset management plan to determine the highest priority project.
- ✓ Make sure your Asset Management Plan or Capital Improvements Plan is up to date - within 2 years of application deadline (*see guidance for more info*).

Department of Environmental Quality



Defining Your Project Area

- ✓ Once the project is defined, you must define your project area
- ✓ The project must serve the entire project area. Ask: Who is served by the project?
- ✓ The LMI % that you report to us must represent the project area LMI percentage.
- ✓ We will ask for boundaries, what streets are served, or what houses are served. You must provide a map showing us those boundaries.



Department of Environmental Quality



19

How to Define Your Project Area

- ✓ Use streets, creeks, hills, municipal boundaries, etc. to describe the area the project is in
- ✓ Be mindful of **floodways** in the project area. You cannot cross a **floodway**, nor can you construct any infrastructure in a **floodway, except for:**
 - Construction, installation, or repair of linear infrastructure located entirely below ground level or entirely above base flood elevation may comply with Part 55 as long as there is no new construction or ground disturbance within the floodway.
 - See new CDP-17-013: Crossing Floodways for additional information
- ✓ Your maps must show us clearly where your project is located
- ✓ Google Earth is a tool we use to examine the project area

Department of Environmental Quality



20

Determining National Objective – LMI Income

- ✓ See **Appendix A – Determine LMI Percentage** for additional information
- ✓ There are two ways to determine your LMI percentage in your project area:
 - Income survey
 - Census data
- ✓ There are two ways to conduct income surveys:
 - Census survey (100%)
 - Randomized survey
- ✓ In the time of COVID-19, however, we will need to allow slightly different methods of determining the LMI percentage.

Department of Environmental Quality



21

Types of Surveys Allowed

- ✓ **Mail-in Surveys.** These are allowed. They must be reviewed carefully, signed by the reviewer and the person surveyed, and if there are errors, the reviewer must call the person being surveyed to get permission to correct the surveys. In that case, next to the error, document the phone call by time and date, who you spoke to, and initial and date the crossed-out answer.
- ✓ You will likely have to notify the people being surveyed that they will get a survey, and why. Use phone calls, notices on water bills, door hangers, etc., to notify the people in the project area before mailing the surveys. Post notifications in the neighborhood to make sure people are aware of the mail-in surveys.
- ✓ Send the surveys with a self-stamped, addressed envelope.

22

Correcting Mail-In Surveys

- ✓ You may receive surveys mailed to you that have errors that need to be corrected.
- ✓ In that event, call the person who completed the survey.
- ✓ Confirm the correct response with the person being surveyed, and that the crossed-out response was incorrect.
- ✓ Initial and date the correction, indicate the time and date of the phone call, and who was spoken to.
- ✓ EXAMPLE:

	Income for 1 person	Income for 2 people
Extremely low	\$11,500	\$13,750 JHC 6/23/2020 Called Ms. Jones at 4:00 pm 6/23/2020 to confirm income and agree on correction
Very low	\$15,680	\$18,670
Low	\$20,150	\$23,450

23

Types of Surveys Allowed

- ✓ **On-line surveys.** These are allowed. The main draw-back is many people may not have personal computers, or smart phones.
- ✓ Again, notification of the neighborhood population is needed, and you will have to notify the people and tell them why they need to answer the survey.
- ✓ Use phone calls, notices on water bills, door hangers, etc., to notify the people in the project area before e-mailing the surveys. Post notifications in the neighborhood to make sure people are aware of the e-mail surveys.
- ✓ Use reverse 911 calling to alert people in the project area.

24

Types of Surveys Allowed

- ✓ **Phone surveys.** These are allowed. The main draw-back is you may be hung up on.
- ✓ Again, notification of the neighborhood population is needed, and you will have to notify the people and tell them why they need to answer the survey.
- ✓ Post notifications in the neighborhood to make sure people are aware of the phone surveys.
- ✓ The surveyor making the calls would fill in the survey and sign it. There would be no signature for the person being surveyed.
- ✓ Probably the hardest and least successful method..

25

Types of Surveys Allowed

- ✓ **Last Round's Surveys.** These are allowed for this round, due to the restrictions around COVID-19. We will take the surveys used in projects that were declined last round.
- ✓ Make sure you review any comments on your scoresheets that can help improve your score. You may have to call people to get corrected information or mail them a new survey to get corrected information.
- ✓ We will not accept surveys from the FY 18 round or earlier; the data is too old.

26

Census Data & Conducting Surveys

- ✓ Count people for general water and sewer projects such as line rehab, plant upgrades, etc. – for the total LMI percentage.
- ✓ Count households when doing direct home connections (private laterals) to water and or sewer service. (Income verification is valid for 12 months) – this information is for the housing aspect of CDBG, and is reported to HUD
- ✓ Calculate the LMI percentage of the project area, using the number of people served.
 - The LMI % must be at least 51%
- ✓ DO NOT round calculations, must include last two decimal points (i.e., 76.26%, not 76.3%)
- ✓ This year's application submission deadline is **November 23, 2020**.

Department of Environmental Quality



27

Census Data & Conducting Survey, Cont.

- ✓ If you use census tract or census block data, the **project must serve the entire tract or block**
- ✓ Your maps showing the infrastructure you are rehabbing/installing must back that up
- ✓ In general, it is better to survey – most water and sewer systems are not designed to serve a census tract or block
- ✓ **To find block group data, go to:** <https://www.hudexchange.info/manage-a-program/acs-low-mod-summary-data-local-government/>
 - ✓ Select block group data from the listings on the right side of the screen, then select North Carolina
 - ✓ You can add lowmod numbers by block group, divide by lowmod universe numbers, and create a lowmod percentage for a particular area

Department of Environmental Quality



28

Surveying - Census Surveys

- ✓ Summarize the results of your surveys in an Income Survey Summary spreadsheet, and submit the spreadsheet (11x17 size) with copies of surveys with applications
- ✓ Provide the number of people by income level, race, gender, ethnicity, disability status and number of elderly (>62)
- ✓ Provide information on whether respondents rent or own, and how many households are headed by females
- ✓ For nonresponding households, you must assign the average number of people per household to the address. The FactFinder website is no longer online, so go to:

<https://www.census.gov/mycd>

Department of Environmental Quality



29



My Congressional District



United States
Census
Bureau

U.S. Department of Commerce
Economic and Statistical Administration
U.S. CENSUS BUREAU
census.gov

30

Using the Census.gov Webpage

- ✓ 1. Select the state you are working in (North Carolina)
- ✓ 2. Select the Congressional District the project area is in. There is a small box in the lower left corner where you can enter the zip code of the project area, and find the congressional district of the project area
- ✓ 3. Select Housing by clicking on the Housing icon.
- ✓ 4. A variety of statistics will be displayed regarding housing. Scroll down to where the average number of people per household is displayed.
- ✓ 5. Use that statistic for the number of people per household for your nonresponsive households in the income survey.

Department of Environmental Quality



31

Surveys – Randomized Sampling

- ✓ Refer to **Appendix A** for instructions on randomized sampling
- ✓ Recommended for project areas that have more than 100 addresses in it
- ✓ Must have the survey technique documented as stated in **Appendix A**
- ✓ You can reduce the number of doors you must knock on by 30% with randomized surveys.

Department of Environmental Quality



32

Census Data – Use the American Community Survey (ACS) Data

- ✓ For certain projects, you can use area-wide LMI percentages, and qualify your project as eligible
- ✓ Go to: <https://www.hudexchange.info/manage-a-program/acs-low-mod-summary-data-local-government/> for area wide LMI percentages by town and county
- ✓ Use Area-Wide Percentages on:
 - Water/sewer plant work
 - Major outfalls, major water mains
 - Major pump stations
- ✓ We will allow area-wide data to be used for line work, with pre-qualification.

Department of Environmental Quality



33

Determining LMI During COVID-19

- ✓ We will allow the use of area-wide census data to qualify line and pump station rehabilitation projects, with the submission of an approved pre-qualification.
- ✓ The work must be done in those towns where the low-to-moderate income percentage is at least 51%. A list is provided at <https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#priority-points-rating-sheet-and-guidance>.
- ✓ A pre-approval form must be submitted to us no later than August 14, 2020.
- ✓ In this case, benefit is determined based on the cost of the project being spread over all residential users in the town.

Department of Environmental Quality



34

Filling Out the Form

- ✓ Location of project: Provide the name of the municipality, and the county in which the municipality is located.
- ✓ Provide the project scope **as it will appear in the application**. If the scope submitted in the application differs in project area, the application will **not** be considered for an award.
- ✓ Provide a description of streets, with house numbers, where water/sewer lines or pump stations will be rehabilitated. For instance “Lines will be rehabbed from 200 Oak Street to 460 Oak Street, and from 435 Elm Street to 763 Elm Street.” Or, “The Cross Creek Pump Station serving Basin 5, encompassing Moore Street, Williams Street, Tucker Street, and Johnston Street collection lines.”

Department of Environmental Quality



35

Filling Out the Form

- ✓ Using the Affordability Calculator posted at <https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#additional-resources>, calculate the project cost per connection for customers in the municipality should a loan be required to finance the project. The cost per connection will be used to demonstrate the benefit to the community and will not be used to determine grant eligibility.
- ✓ Provide a copy of the affordability calculator determinations.
- ✓ Provide the LMI percentage of the municipality, found on tables posted at <https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#priority-points-rating-sheet-and-guidance>.
- ✓ Provide the median household income for the county.
- ✓ Submit the form with a map no later than August 14, 2020, to the address on the instructions.
- ✓ We will review the information, and the area, and send you a letter indicating that the project is prequalified to be considered for funding.

Department of Environmental Quality



36

Additional Advice on Surveying

- ✓ **Engage the community.** Make sure the people in the project area know why they are being asked these questions.
- ✓ Assure the interviewees of the **confidentiality** of their answers.
- ✓ Use our Spanish language survey in communities with a Latinx population or any other language necessary to accommodate your citizens.
- ✓ Utilize community leaders to do the surveys
 - Mayors, managers, clergy, town councilmen – people that the community recognizes and trusts.

Department of Environmental Quality



37

Priority Points System - Overview

- ✓ Priority Rating System is used to rank all projects for funding
- ✓ Priority Rating System is synced between other Division programs, which allows an entity to apply for CDBG-I funds, as well as other Division programs taking applications during that funding round.
- ✓ If you apply for multiple funding programs within Division, you must provide all required documentation/forms for all programs (refer to each individual program guidance for accurate documentation) and adequate number of application packages.

Reminder: CDBG-Infrastructure Program is not subject to the affordability index the other Division program uses to determine funding type (loan/grant).

Department of Environmental Quality



38

Priority Points System - Overview, cont.

- ✓ Read guidance carefully – it describes the required narratives, maps, and documentation necessary to receive points
- ✓ Claim the points you can document
- ✓ Provide ALL the required documentation
- ✓ Additional information will NOT be requested
- ✓ Ask questions during application preparation if unsure after going through guidance

Department of Environmental Quality



39

Priority Points System – Overview, cont.

- ✓ Four Categories for Points:
 - Category 1 – Project purpose – Max 15 Points
 - Category 2 – Project benefits – Max 20 Points
 - Category 3 – System management – Max 15 Points
 - Category 4 – Financial situation – Max 50 Points

Department of Environmental Quality



40

Category 1: Project Purpose – Max 15 Points

- ✓ Project Purpose narrative and documentation inserted behind Tab 4
- ✓ Project purpose – *what problem will the project solve?*
- ✓ Must describe the problems the town/city/county has had with the infrastructure and how the project will resolve those problems.
- ✓ You may claim more than one project purpose, but you must document both purposes if you claim them. We will award the highest scoring project purpose.

Department of Environmental Quality



41

Category 1: Project Purpose – Max 15 Points

- ✓ All benefit points must match the project purpose – if not, they won't be counted
- ✓ Combined Water & Sewer Applications
 - Same footprint
 - Will rank project by **lowest** scoring project purpose
 - Must separate scorecards, budgets, support documentation, in addition to total budget combining all project type.

Department of Environmental Quality



42

1.A Consolidate a Failing Water or Wastewater System – 15 points

- ✓ Rescue a failing water system designated by the Public Water Supply Section of DWR, or a failing wastewater system (designated vs. voluntary)

Water Systems:

- ✓ “Failing” means a system that the Division of Water Resources Public Water Supply Section (DWR-PWS) has determined lacks technical, financial, and /or management capacity in accordance with the State Drinking Water Act, Sections 1402(b)(1) and 1414(h)
- ✓ Either a survey or area-wide data may be used to document income eligibility for this type of project.
- ✓ See ***CDBG-I Priority Rating System Guidance & Form*** for required documentation
- ✓ **No merger = payback of funds**

Department of Environmental Quality



43

1.A Consolidate a Failing Water or Wastewater System – 15 points

Wastewater Utilities:

- ✓ “Failing” means a utility that lacks financial, technical, managerial capacity to continue as a free-standing utility
- ✓ The status is voluntary determination
- ✓ Grant would be used to bring the failing system up to an acceptable standard for the receiving system
- ✓ Either a survey or area-wide data may be used to document income eligibility for this type of project.
- ✓ See ***CDBG-I Priority Rating System Guidance & Form*** for required documentation
- ✓ **No merger = payback of funds**

Department of Environmental Quality



44

1.B Resolve Failed Infrastructure – 5 points

- ✓ Project will resolve failed infrastructure
- ✓ Narrow definition of “Failed infrastructure” for our program:
 - ✓ Failed private septic systems
 - ✓ Failed spray fields
 - ✓ Private or public dry wells
 - ✓ Private or public contaminated wells
- ✓ Capacity is limited to replacing failed infrastructure – **not future growth**
- ✓ Required documentation depends on type of failure claiming
- ✓ A survey is required to document eligibility for private well or septic system failures.
- ✓ May use census data for public well failures, or use surveys to document income
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



45

1.C Rehab/Replace Infrastructure – max 10 points

- ✓ Replace, repair, or rehabilitate drinking water or wastewater infrastructure **WITHOUT** increase in capacity
- ✓ Must replace old pump station/treatment plant with **same capacity** as one being decommissioned
- ✓ Includes:
 - Replace plant with gravity sewer, pump station and force main
 - Replace pump station with gravity sewer with same capacity
 - Waterlines can be upsized to 6 inches
 - Sewer lines can be upsized to 8 inches
 - Other examples are listed in the guidance
- ✓ Includes new operations units that don't increase capacity to treat
 - EQ basin, UV disinfection, Air Scour system, solids handling, SCADA, generator

Department of Environmental Quality



46

1.C Rehab/Replace Infrastructure – max 10 points, cont.

- ✓ Water and wastewater treatment plant project eligibility is determined using area-wide data.
- ✓ Line rehabilitation or replacement project eligibility is determined using survey data, **or by using census data when prequalified to do so.**
- ✓ Common errors:
 - “we are replacing the existing 10-inch gravity sewer” - with what??
 - “we are increasing pumping capacity to meet current flows but not to provide any additional capacity” – how does that work??
 - Missing support calculations when replacing a pump station with gravity sewer
 - “we are replacing an existing pump station”
 - Discussing overflows in one part of town, but the actual project area is elsewhere – and there is no connection or explanation made for how the project will fix said overflows
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



47

1.C.1 Old Infrastructure – 5 points

- ✓ Can earn five additional points for old infrastructure, IF:

Unit	Age in years
Treatment or pumping units	20
Water or sewer lines	40
Tanks	40
Wells	40
Intake structures	40

- ✓ At least 50% of the construction cost must be associated with replacing old infrastructure
- ✓ Break out cost of replacing old infrastructure vs. newer infrastructure in your budget
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



48

1.E. Project will extend service for the following specific reasons – 15 points

- ✓ A project will Affirmatively Further Fair Housing by extending water and/or sewer to new or rehabilitated low-to-moderate income (LMI) housing
- ✓ Specific reasons:
 - 1.E.1: Extend water and/or sewer service to new low income housing, or to an area where existing LMI homes are being rehabilitated – 15 pts
 - 1.E.2: Connect existing LMI homes to water and/or sewer service – 10 pts

Department of Environmental Quality



49

1.E.1 Extend or rehab water/sewer – 15 points

- ✓ Proposed project will extend water and/or sewer to new or rehabilitated low-to-moderate (LMI) income housing.
- ✓ Water and sewer extensions to new LMI housing are limited to housing financed by public or private non-profit entities, or by private firms using tax credits.
- ✓ “In the same footprint” points **cannot** be claimed for **new** extensions (2.L points). They may be claimed if rehabilitation is the project.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



50

1.E.1 Extend or rehab water/sewer – 15 points, cont.

- ✓ LMI Percentage:
 - New Construction, the LMI % for the project area is estimated at 100%. Applicant must document and verify the LMI % of residents of new housing project at the end of the project.
 - Rehabilitated Housing, the LMI % in the project area must be at least 51% and requires a survey of residents, or **area-wide data may be claimed with pre-qualification.**
- ✓ All LMI units in project area must be connected, unless a registered sanitarian or a licensed soil scientist verifies that the wells/septic are functioning properly.

Department of Environmental Quality



51

1.E.2 Connect existing homes to existing lines – 10 points

- ✓ **These are hook-up only grants** - Nothing but the house connections should be in the project.
- ✓ Proposed project will connect existing houses/multi-family dwellings to existing water and /or sewer service.
- ✓ Homeowners / renters must be LMI, no over income households can be connected with these funds.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation
- ✓ **Income Surveys of the project area are required** with income verification of each direct beneficiary household required before the close of the project.
- ✓ These grants will have a 100% LMI percentage.
- ✓ The hookups can be scattered throughout a town or county.

Department of Environmental Quality



52

Category 2: Project Benefits – Max 20 points

- ✓ Project Benefit narratives and documentation are inserted behind Tab 5
- ✓ Applicants must show a direct connection between the project and the benefit claimed in the application.
- ✓ Project Benefit points max out at 20, even if there are more benefit points that can be claimed.
- ✓ In cases where a single application includes multiple project types, Project Benefit points must match the Project Purpose that was claimed.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



63

2.A Benefit from Infrastructure Replacement, Repair, or Merger – 15 points

- ✓ Proposed project provides an environmental or public health benefit through the replacement or repair of infrastructure, or merger of a failing system with a viable one.
- ✓ Projects include:
 - Connecting homes with failing septic systems to public sewer service
 - Connecting homes with dry or contaminated wells to public water service
 - Replacing failing public wells (failure due to contamination or significant yield reduction) with another well, or connection to another water system with excess capacity
 - Repairing or replacing sewer lines responsible for reported sanitary sewer overflows that:
 - Reach bodies of water, or
 - Backup into homes, causing a public health problem
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



64

2.A Benefit from Infrastructure Replacement, Rehab, or Merger – 15 points, cont.

- ✓ For projects that connect homes to water or sewer, most of the homes in the project area, and all LMI units must be connected for the project to meet benefit requirements. You will have to survey these homes.
- ✓ Repayment of the grant is required if most of the homes are not connected, unless there is a valid documented reason for not connecting (i.e., letter from health department stating existing wells/septic fields are functioning).
- ✓ For the rehab of sewer lines, you need to make a direct connection between the project, and how it will reduce or eliminate overflows and backups. For the rehab of water lines, prove to us that the lines you are replacing/rehabbing are the source of water loss and/or low pressure.
- ✓ CDBG funds pay only for the LMI connections.

Department of Environmental Quality



65

2.A.1 Where 20 Percent are Failing – 5 points

- ✓ In the project area, 20% or greater of individual septic tanks are failing, or water sources are contaminated, or wells are dry
- ✓ To claim these points:
 - 20% or more of the septic systems or private wells are failing or contaminated.
 - Must list out the addresses of each residence where the septic system or well has failed and provide a map with the addresses of failed systems indicated.
 - Each listed addresses will be expected to connected to public water or sewer service at the end of the project.
 - Documentation of failures must be by a licensed soil scientist or registered sanitarian.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



66

2.D Promulgated but not Yet Effective Regulation – 3 points



- ✓ To claim these points, project will address the requirements of recently promulgated but not yet effective regulation.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



57

2.E Addresses Enforcement Documents – up to 5 points

- ✓ Project can receive points for only ONE of the following:
 - 2.E.1: Project addresses an EPA Administrative Order in a Tier One county, or addresses an existing or pending Special Order by Consent (SOC), or NCDEQ Administrative Order - 5 points
 - 2.E.2: Project directly resolves a Notice of Violation or Notice of Deficiency - 3 points
- ✓ Common Errors:
 - Project does not address enforcement document
 - Response on file that applicant has already addressed the problem that caused the enforcement action
 - NOV is due to administrative or O&M error
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



58

2.F Project Includes a System Merger – 10 points

- ✓ This project will merge systems
- ✓ Merger can include either a physical consolidation of systems into a single system with a single PWSID number or a merger of ownership and operation without a physical consolidation of systems.
- ✓ Decentralized systems can qualify under line item
- ✓ Points will not be awarded for systems already merged
- ✓ Interconnectivity alone does not qualify under this line item
- ✓ If the merger did not proceed once the project is finished, funding would be repaid
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



59

2.G Project Addresses Low Pressure in a Public Water System – 5 points

- ✓ Project must address documented low pressure within a system.
- ✓ Low pressure = “<20/30 psi as described in T15A NCAC 18C.0901”
- ✓ Looping is limited to 10% of the total line length in the project.
- ✓ See **Factsheet: Documenting Low Pressure** on Website:
 - Big change: fire flow is 250 gpm or document your requirement for a higher flow
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



60

2.G Project Addresses Low Pressure in a Public Water System – 5 points

- ✓ If low pressures are due to small line diameters (2-inch diameter), in violation of 15A NCAC 18C.0901 and .0902, these points may be claimed. Documentation to demonstrate the small line diameter includes:
 - ✓ Photos of the uncovered lines, with a ruler showing the line size
 - ✓ Old as-built maps with the line identified as a 2-inch line (Not a map generated for the sake of this application)
 - ✓ A map from the asset management plan showing that the line is a two-inch line
 - ✓ **And** a narrative of how the line is in violation of 15A NCAC 18C.0901 and .0902. Discuss how the proposed project will resolve the violation and increase pressures.

Department of Environmental Quality



61

2.H.1 Project Addresses Acute Contamination of a Water Source – 15 points

- ✓ Project addresses an acute contamination of a private or public water system.
- ✓ “Contaminated” means that water contains some substance such that the water no longer meets the MCL using existing treatment
- ✓ “Acute contamination” means that the issue requires Tier 1 Public Notice under Table 1 of 40 CFR 141.202.
- ✓ Refer to guidance document: “*Guidance for Documenting Public Health Priority Points by Sampling Individually Owned Wells*”, at https://files.nc.gov/ncdeq/WI/DWSRF/WellSamplingReportGuidance_V3.0.pdf
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



62

2.H.2 Project addresses Non-Acute Contamination of Water Source – 10 points

- ✓ Project addresses a non-acute contamination of a private or public water system
- ✓ Non-acute contamination is any contaminant that produces effects over time.
- ✓ Listing of contaminants at : <http://water.epa.gov/ground-water-and-drinking-water/table-regulated-drinking-water-contaminants>
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



63

2.J Project will Reduce Water Loss in a System with 30% Loss or More - 10 points

- ✓ Project will address water loss equal to or exceeding 30% in the system.
- ✓ Both of the following must meet or exceed 30%:
 - A water audit meeting the requirements discussed under line item 3.E (Water Loss Reduction Program)
 - Water loss listed in latest Local Water Supply Plan prior to applying for funding
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



64

2.K Project provides a Public Water System Interconnection - 5 points

- ✓ Can claim only **one** of the following:
 - 2.K.1: Project creates a New Interconnection between Systems not previously interconnected – 5 points
 - 2.K.2: Project creates an Additional or Larger Interconnection between two systems already interconnected which allows one system's public health water needs to be met during an emergency - 3 points
- ✓ "Public Health Needs" means the average daily demand of the residential and institutional population (residential, schools, government offices, hospitals, daycare facilities, etc.) of the system.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



65

2.L Project will Rehabilitate Water and Sewer Lines in a Municipality, in the Same Footprint – 5 points

- ✓ Submit one application containing information for both water and sewer.
- ✓ Each project utility must provide separate scorecards, budgets, and support documentation; in addition to a total budget combining all project types.
- ✓ Lines must be in the same street. The benefit is the prevention of opening up a trench on the same street twice.
- ✓ The **extension** of water and sewer lines in the same street does not earn these points.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



66

2.M Project Directly Addresses a Moratorium on a Local Government System – 7 points

- ✓ An application may earn 7 points if the project directly addresses the cause of a moratorium on a local government system.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



67

2.S Project provides site work and new water/wastewater infrastructure, including house or apartment connections, to new low-to-moderate income housing – 5 points.

- ✓ Project provides site work, and new water or wastewater infrastructure to a new low-income housing development.
- ✓ Provide a map of the route of the infrastructure, and information on who will be served by the new infrastructure, including any existing homes that may be served by the line.
- ✓ Discuss in the narrative the options the housing project developers considered, including the extension of public water/sewer, publicly owned onsite systems, or private wells/septic systems.
- ✓ Land acquisition for the development must have been accomplished prior to applying

Department of Environmental Quality



68

Category 3: System Management – Max 15 Points

- ✓ System Management documentation and narrative are inserted behind Tab 6
- ✓ Points may be earned for either line item 3.A.1 OR line item 3.A.2., but NOT BOTH.



Department of Environmental Quality



69

3.A.1 Applicant has Implemented an Asset Management Plan (AMP) as of the date of the application – 10 points

- ✓ Applicant has implemented AMP that addresses each of the four key areas described in the **Asset Management Guidance Supplement**
- ✓ Project seeking funding must be included in the AMP, the AMP must have been adopted by the local government within 2 years from the date of the application deadline
- ✓ AMP may only include one utility (either water or sewer) or both
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation
- ✓ AMP must be for the utility for which the application is requesting funds.
- ✓ Common Errors:
 - AMP has not been implemented
 - No minutes or resolution showing adoption within 2 years
 - Project not highlighted
 - AMP does not contain all four key areas of an AMP

Department of Environmental Quality



70

3.A.2 Capital Improvement Plan – 3 points

- ✓ Applicant government has a capital improvement plan (CIP) adopted by the applicant within the last 2 years of the application deadline
- ✓ CIP must span 10 years from the date of adoption, including cost estimates for projects scheduled in the first 5 years, and with the project proposed for funding.
- ✓ Common Errors:
 - Has not been adopted within past 2 years
 - Does not span **10 years from date of adoption**
 - No minutes or resolution of adoption
 - Project not highlighted on CIP priority matrix. NOTE: Name of the project must be the same name as the name of the application.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation
- ✓ CIP must follow the template provided on the CDBG website for capital improvement plans.

Department of Environmental Quality



71

3.B System Operating Ratio – 5 points

- ✓ Application earns points if either of the following is true:
 - Applicant operating ratio is greater than or equal to 1.00, or
 - Applicant's operating ratio is less than 1.00 and the unit cost is greater than 2.5% of Median Household Income (MHI)
- ✓ Present the calculations in the narrative and submit the Financial Information Form and the Certified water and sewer rate sheets with narrative.
- ✓ Common Errors: Not providing both forms; certified rates not matching other documentation
- ✓ Use inside rates of the applicant unit of local government.
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



72

3.C DWR-Approved Source Water Protection Plan or Wellhead Protection Plan – 5 points

- ✓ Applicant must demonstrate that they have a source water protection or wellhead protection plan that has been approved by the Division of Water Resources – Public Water Supply Section (DWR-PWS)
- ✓ The PWSID number on the approval letter must match that of the applicant or the benefitting public water supply.
- ✓ Contact Rebecca Sadosky if you have lost your approval letter
- ✓ See ***CDBG-I Priority Rating System Guidance & Form*** for required documentation

Department of Environmental Quality



73

3.D Water Loss Reduction Program – 5 points

- ✓ Applicant must document a Water Loss Reduction Program that includes water audits and a proactive hidden leak detection and repair program.
- ✓ To earn points, must either show very low leakage or show an ongoing and continuous proactive program to track down and repair hidden leaks.
- ✓ Promptly fixing found leaks does not earn points.
- ✓ Common Errors:
 - Program states “we fix leaks when we find them”
 - Not all three years of data is provided
 - The data is old – guidance states “the past three years”
- ✓ See ***CDBG-I Priority Rating System Guidance & Form*** for required documentation

Department of Environmental Quality



74

Category 4: Financial Situation – Max 50 Points

- ✓ Financial situation narrative and documentation are inserted behind Tab 7
- ✓ Financial situation points make up one-half of the possible points for the CDBG-I program
- ✓ Financial data is entered directly into the interactive Priority Rating System Scorecard, and an embedded calculation produces the number of points each line item receives.
- ✓ See ***CDBG-I Priority Rating System Guidance & Form*** for required documentation

Department of Environmental Quality



75

4.D Poverty Rate – up to 15 points max



- ✓ Refer to the poverty rate tables on the Division website at:
- ✓ <https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#additional-resources>
- ✓ Data is located under Additional Resources.

Department of Environmental Quality



76

4.E Utility Rates – up to 15 points

- ✓ Refer to NCDEQ Water and Sewer Form used in Line Item 3.B to calculate and enter the monthly inside rates for the water or sewer utility under Line Item 4.E.
- ✓ Use the rates (water or sewer) depending on the type of utility you are working with; use the lowest rates (water or sewer) if you are doing a project with both utilities
- ✓ Must provide rates that are certified within 6 months of application deadline for all water and sewer utilities servicing project area. ****Points will not be given if application doesn't contain both NCDEQ Water and Sewer Rate Form and Certified Rates**
- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



77

4.E Utility Rates – up to 15 points

4.E Current Monthly Residential Single Utility Rates at 5,000 Gallons Usage		
4.G.1	Greater than \$33	6 points
4.G.2	Greater than \$40	9 points
4.G.3	Greater than \$47	12 points
4.G.4	Greater than \$58	15 points
	Maximum Total for 4.E	15 points

- ✓ See **CDBG-I Priority Rating System Guidance & Form** for required documentation

Department of Environmental Quality



78

4.F Low to Moderate Income Percentage of the Project Area - Up to 20 Points

- ✓ Input the results from the surveys or census data research into the blue box next to 4.F
- ✓ See ***CDBG-I Priority Rating System Guidance & Form*** for required documentation



Department of Environmental Quality



79

Tab 8 Required Documentation

- ✓ **Public Hearing:**
 - See ***Appendix B – Public Hearing Guidance***
 - Must hold public hearing within the same calendar year of the grant application
 - If resubmitting an application, a new public hearing must be held
 - Must discuss the CDBG program as well as specific project. The hearing must discuss community needs and how the project will meet community needs. **The project area must be well-defined, including street names.**
 - Public hearing notice published at least 10 days before the hearing, not including the day of the hearing – but no more than 25 days before the hearing
 - The notice must be in the **non-legal** section of the local newspaper
 - Public Hearing minutes **MUST BE ADOPTED (NOT CERTIFIED)** by the unit of general local government

Department of Environmental Quality



80

Tab 8 Required Documentation, cont.

✓ **Public Hearings, cont.:**

- Strongly recommend public hearing notice is posted in the project area
- If there is a Latinx population in the project area, have the full notice translated into Spanish before posting in the community – if there are other languages spoken in the project area, have the notice translated into that language as well
- Do everything you can to ensure the public has a chance to participate in the public hearing

Department of Environmental Quality



81

Tab 8 Required Documentation, cont.

✓ **IDIS (Integrated Disbursement and Information System) Forms:**

- See **Appendix C – IDIS Instructions**
- Water and Sewer Improvements must count people
- New Housing Connections must count households
- Need a form for each activity (*Public Water improvements, Public Sewer Improvements, Housing Rehab-Sewer Connections, Housing Rehab-Water Connections*) - Do not need form for administration
- Don't include local money, only CDBG funds budgeted for each activity
- If the project has two or more different project areas, please contact DWI-CDBG-I Staff

Department of Environmental Quality



82

Tab 8 Required Documentation, cont.

- ✓ All remaining required documents and forms are on website
- ✓ Compliance documents must be signed in the same calendar year of application deadline
- ✓ All signed by the chief elected official and/or the authorized representative
- ✓ See ***CDBG-I Priority Rating System Guidance & Form*** for required forms:
 - "Certification of Understanding of the Roles and Responsibilities Under the HUD State Community Development Block Grant Program"
 - "Certification Regarding Debarment, Suspension, and Other Responsibility Matters"
 - "Conflict of Interest Certification"
 - "Federal Performance and Procurement Requirements Certification"
 - "Disclosure of Other Federal Income and Any Financial Interest by Persons Involved with the Project"
 - "Federal Performance and Procurement Requirements Certification"
 - "Disclosure of Other Federal Income and any Financial Interest by Persons Involved with the Project"

Department of Environmental Quality



83

What's a Complete Application Submission

- ✓ Division Application and Sealed Budget
- ✓ Resolution by Governing Body of Applicant
- ✓ Adopted Public Hearing Minutes
- ✓ Copy of Public Hearing Advertisement and Affidavit of Publication –or- Copy of Public Hearing Advertisement and a tear sheet showing the notice
- ✓ Current Certified Rates Sheet(s) and NCDEQ Water & Sewer Rate Form
- ✓ Financial Information Form, Funds Transfer Certification, and Commitment of Other Funds Form
- ✓ CDBG-I Priority Rating System Scorecard(s)
- ✓ Income Survey Summary spreadsheet and copies of surveys, with the narrative giving us information about the method of surveying
- ✓ All Tab 8 Compliance Documents – filled out and signed

Department of Environmental Quality



84

DUNS Numbers

- ✓ Applicants **MUST** have a current DUNS number.
- ✓ Before submitting the application, check the DUNS number on SAM.gov to ensure that the DUNS number is currently registered, or that the town or county has a DUNS number.
- ✓ If the DUNS number registration is expired, or the entity does not have one, *start the process immediately to renew or to establish a DUNS number.*
- ✓ *We cannot issue payments, we cannot issue a contract, without a current DUNS number.*

Department of Environmental Quality



85

Application Submission Information

- ✓ Must provide three (3) bound copies (three-ring binders)
 - Label one "Original" and two copies
 - Label the spines of the notebooks with the applicant's name and application date
- ✓ See ***CDBG-I Priority Rating System Guidance & Form*** for different delivery and mailing addresses – *preferred method is hand delivery or FedEx / UPS sent to physical address*
- ✓ **Applications must be at the Division by 5:00pm regardless of delivery method used, by November 23, 2020.**
- ✓ **ALL OTHER DIVISION PROGRAM APPLICATIONS ARE DUE SEPTEMBER 30, 2020.**

Department of Environmental Quality



86

Application Preparation Expenses

- ✓ May be reimbursed to awarded applicants at a reasonable amount, but only if the grant writer was procured according to the CDBG-I Procurement Policy for professional services

- ✓ Awarded grantees may receive:
 - Up to \$3,000 for grant application preparation expenses if they use census data to determine LMI
 - Up to \$5,000 for grant application preparation expenses if they conduct an income survey to determine LMI

- ✓ See ***CDBG-I Priority Rating System Guidance & Form*** and ***Professional Procurement Guidance*** on Division website for further direction

Department of Environmental Quality



87

Questions?



Department of Environmental Quality



88

Contacts

- ✓ Julie Haigler Cubeta, 919-707-9189; julie.cubeta@ncdenr.gov
- ✓ Stephanie N. Morris, 919-707-9196; stephanie.morris@ncdenr.gov
- ✓ Colleen M. Simmons, 704-235-2202; colleen.simmons@ncdenr.gov
- ✓ Stacey Y. Starkey, 919-707-9193; stacey.starkey@ncdenr.gov
- ✓ John A. Tucker, P.E., 252-948-3838; john.tucker@ncdenr.gov

We can review a draft application anytime prior to November 1, 2020