

**WASHTENAW URBAN COUNTY EXECUTIVE COMMITTEE: POLICY & PROCEDURES
FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ALLOCATIONS TO LOCAL UNITS**

APPROVED BY URBAN COUNTY EXECUTIVE COMMITTEE, JANUARY 8, 2020

AMENDED BY URBAN COUNTY EXECUTIVE COMMITTEE, MARCH 3, 2021

EFFECTIVE JULY 1, 2020

- 1) A Local Unit’s allocation must be specifically programmed in the Annual Action Plan for the local unit to receive/utilize CDBG funds;
- 2) Local Units program their annual allocations by completing the CDBG project application form and submitting the completed form to OCED CDBG Management Analyst. Project application must include, at minimum: valid cost estimates, program/project budget, preliminary plans, and a realistic timeline with a target completion date; application must be reviewed and approved by OCED staff.
- 3) Reserving CDBG allocations is permitted for jurisdictions according to their specific tier, as follows:

Tier	Annual Allocation Range	Maximum Reserve Period
1	Less than \$20,000	Year 5
2	\$20,000 and above	Year 2

Maximum Reserve Period in the above table refers to the maximum number of consecutive years’ CDBG funds that can be applied toward a local project to be carried out by the Local Unit once the last year of funding becomes available, and after the project has obtained environmental clearance from HUD. Local projects with multi-year funding are still subject to all other guidelines outlined in the *Policy & Procedures for CDBG Allocations to Local Units*.

- 4) CDBG allocations expire¹ 2 years from the date of HUD environmental clearance. OCED is responsible for the environmental review process on all CDBG projects within the Urban County. For projects with multi-year funding, OCED will typically schedule the environmental clearance for the 3 to 9 months prior to the Local Unit’s targeted implementation date (e.g. target date for issuing a Request for Bids). Once OCED has informed the Local Unit of environmental clearance on the project, the Local Unit then has 2 years by which they must reach substantial completion on their specified project. Exceptions may be approved on a case-by-case basis.
- 5) When applying for CDBG projects, the Local Unit can request implementation for a specific year, based on the Local Unit’s specific tier, as shown below. Typically subrecipient agreement contracts will be issued for 1-year contract terms based on the project timeline and target completion date.

Tier	Annual Allocation Range	Project must be Implemented by:
1	Less than \$20,000	Year 5
2	\$20,000 and above	Year 2

¹*Expiration of CDBG allocation dollars means those particular CDBG funds are no longer available to the Local Unit of Government, and the funds in turn become available for County-wide CDBG programming, e.g. Single Family Rehab Program, COVID response, et cetera.*

- 6) Local Units that utilize CDBG for planning/engineering/design activities will have 1 year to complete planning/engineering/design activities, and 2 years from the date of environmental clearance from HUD (as communicated by OCED) to achieve substantial completion on the construction project resulting from the CDBG-assisted planning/engineering/design activities. See #4 above for more detail regarding timing for environmental clearance. If the planning grant does not result in a construction project, the Local Unit will be required to pay back the planning grant to OCED.
- 7) Balances on local allocations also expire 2 years from the date of HUD environmental clearance; e.g. \$80,000 is allocated to a City's Project X for 2020 and the City receives notice from OCED of environmental clearance on September 20, 2020. At completion of the project, the City only requests reimbursement for eligible CDBG costs of \$75,000; the City would then have until September 20, 2022 to utilize their \$5,000 balance from their 2020 CDBG allocation.
- 8) During the annual Action Planning process, any Local Units that do not submit an application for an eligible project will effectively "donate" that year's allocation to the County-wide Single Family Rehab Program².
- 9) Local Units with CDBG balances as of June 30, 2020 will have until June 30, 2023 to program those funds for eligible CDBG projects.

Requests for exceptions to these policies and procedures necessitated by extenuating circumstances must be submitted in writing to OCED staff. Staff will make every effort to review and respond to requests within two (2) weeks.

²*Exceptions can be made. For example, in 2020 OCED staff made an administrative decision that "donated" allocations would go toward public services for COVID-19 response efforts.*