

CDBG CV MULTI-FAMILY CONSTRUCTION HANDBOOK

WISCONSIN DEPARTMENT OF ADMINISTRATION DIVISION OF ENERGY,
HOUSING, AND COMMUNITY RESOURCES



**BUREAU OF COMMUNITY DEVELOPMENT
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INTRODUCTION

The Wisconsin Department of Administration (DOA) – Division of Energy, Housing and Community Resources (DEHCR) administers the State Community Development Block Grant Program that provides funding to units of general local government (UGLGs) that do not receive an annual allocation directly from HUD.

The State of Wisconsin Department of Administration's (DOA) Division of Energy, Housing and Community Resources (DEHCR) has developed this handbook as a resource for local government officials and their appointed Community Development Block Grant (CDBG) project managers (i.e., Grant Administrators) to clarify the rules for grant recipients and to help ensure compliance with the state and federal CDBG program requirements.

UGLGs awarded CDBG funding must follow all policies and procedures included in this Handbook and the referenced Handbooks as noted. While this Handbook contains guidance for a combination of state and federal requirements to assist UGLGs in meeting their awarded program obligations, it should be noted that some independent judgment may be required on the part of the UGLG when making certain decisions. DEHCR fully expects recipients of CDBG funding to comply with all applicable local, state, and federal requirements, regardless of the information and materials included in this Handbook or any referenced handbook herein.

CDBG-CV PROGRAM OVERVIEW

The Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116–136) (CARES Act) was signed into legislation on March 27, 2020. The CARES Act made available \$5 billion in CDBG coronavirus response (CDBG-CV) funds to prevent, prepare for, and respond to coronavirus principally for the benefit of persons of low and moderate income.

The United States Department of Housing and Urban Development (HUD) administers the CDBG Program, which is governed by Title I of the Housing and Community Development Act of 1974 as amended (https://www.hud.gov/sites/documents/CDBG_24_CFRPART570.PDF) and federal regulations at 24 CFR 570.480-497 (Subpart I)

(<https://www.hudexchange.info/sites/onecpd/assets/File/CDBG-State-National-Objectives-Eligible-Activities-Appendix-B.pdf>).

The Omnibus Budget Reconciliation Act of 1981 (<https://www.congress.gov/bill/97th-congress/house-bill/3982>) authorized states to administer the CDBG programs

ELIGIBLE RECIPIENTS

DEHCR may only award CDBG funding to UGLGs to perform eligible activities. The only UGLGs permitted to apply for the State's CDBG funding are towns, villages, non-entitlement cities, and non-urban counties. Applications were competitively scored.

ADMINISTRATIVE REQUIREMENTS

An important part of any grant is administration. Grant recipients are required to prepare, maintain and submit to the Division of Energy, Housing and Community Resources (DEHCR) all records required to document compliance with the Community Development Block Grant (CDBG) program.

UGLGs will be monitored at least once during the contract period of the Grant Agreement.

Detailed information on administrative requirements including record keeping and monitoring can be found in Chapter 2 of the BCD CDBG Implementation Handbook at:

[Implementation Handbook, Administrative Requirements](#)

PROCUREMENT, CONTRACTING AND CONFLICT OF INTEREST PROVISION

UGLGs must provide the opportunity for Developers to submit potential Projects and be selected through an open and competitive process. UGLGs must comply with all applicable federal, state and local procurement and contracting regulations and policies for the Community Development Block Grant (CDBG) project. Conflict of interest provisions within the Code of Federal Regulations must be addressed as part of procurement and contracting processes.

In accordance with 24 CFR 570.611, no member of the governing body and no official, employee or agent, nor any other person (covered persons), either for themselves or those with whom they have business or immediate family ties, who exercises policy or decision-making responsibilities will financially benefit from this program. For more information on these requirements please visit the link to Chapter 3 of the Bureau of Community Development (BCD) Implementation Handbook found here: [Implementation Handbook, Procurement and Contracting](#)

DUPLICATION OF BENEFITS

In accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5207) (Stafford Act) and Federal Register Notice published June 20, 2019 (84 FR 28836) requirements, all activities funded with CDBG-CV must undergo a Duplication of Benefits (DOB) review and calculation prior to Project award and prior to close out.

All grantees, subrecipients, and/or program beneficiaries, receiving assistance under the CDBG-CV Program are required to report any benefits received for the same services for which they are applying under this program. The applicant must complete and sign a Duplication of Benefits Statement. Should a duplication of benefits occur, the Grantee will be required to collect the excess amount and return those funds to DOA.

ENVIRONMENTAL REVIEW

All Community Development Block Grant (CDBG) projects must meet the requirements of federal, state and local environmental regulations. At the federal level, all CDBG projects must meet the requirements of the National Environmental Policy Act of 1969 (NEPA).

For information and the requirements of the Environmental Review Process, please visit the link to Chapter 4 of the Bureau of Community Development (BCD) CDBG Implementation Handbook found here:

[Implementation Handbook, Environmental Review](#)

Required fillable forms for the Environmental Review may be found at:

[Implementation Handbook, Fillable Forms](#)

LABOR STANDARDS (DAVIS BACON) REQUIREMENTS

The Davis-Bacon Act (40 USC, Chapter 3, Section 276a-276a-5; and 29 CFR Parts 1, 3, 5, 6 and 7) is triggered when construction work over \$2,000 is financed in whole or in part with CDBG funds. It requires that workers receive no less than the prevailing wages being paid for similar work in the same area. Davis-Bacon does not apply to the rehabilitation of residential structures containing less than eight units or force account labor (construction carried out by employees of the grantee). Labor standards will apply to all projects with more than seven units.

For information Labor Standards requirements, please visit the following link to Chapter 7 of the Bureau of Community Development (BCD) CDBG Implementation Handbook found here:

[Implementation Handbook, Labor Standards](#)

Required fillable forms for Davis Bacon may be found at:

[Implementation Handbook, Fillable Forms](#)

REPORTING REQUIREMENTS

CDBG programs must report certain accomplishments and information quarterly, semi-annually, or annually. The Grant Agreement will designate document submission due dates and activity completion benchmarks for the project. UGLGs are required to follow the Grant Agreement Time Table.

Specific information for these reports, including the required forms can be found in Chapter 6 and Chapter 9 of the BCD CDBG Implementation Handbook at:

[Implementation Handbook](#)

Equal Opportunity

Civil rights laws and related laws and regulations are designed to protect individuals from discrimination on the basis of race, national origin, religion, color, sex, age, disability, sexual orientation, and familial status. The laws listed below apply to UGLGs, contractors and sub-contractors. The Department of Labor (DOL) provides employers, workers and others with clear and easy-to-access information and assistance on how to comply with Executive Order 11246. These reports are due semi-annually.

Reporting for Equal Opportunity compliance includes:

- Semi-Annual MBE/WBE Reports; and
- Fair Housing Actions and documentation

Section 3

Section 3 is a provision of HUD Act of 1968 which helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. "To the greatest extent feasible," UGLGs must guide the employment opportunities of the CDBG project towards low- and moderate income (LMI) persons and Section 3 businesses in the community. This report is due semi-annually.

Labor Standards

This report is due semi-annually.

Beneficiary Data:

DEHCR is required to maintain records documenting the demographic information pertaining to CDBG project beneficiaries, which may include (but is not limited to): race, ethnicity, household size, and income. Grantees will be required to compile all of the individual data collected and complete the CDBG CV Completion Report. Each activity undertaken by the Grantee will have its own report.

Single Audit

In addition to semi-annual reports, the UGLG must establish whether the Single Audit requirements listed in Uniform Guidance 2 CFR 200 apply. The UGLG must submit a Single Audit Statement letter (Attachments 9-I / Attachment 9-J) to DEHCR by January 15th of each calendar year for the duration of the Grant Agreement.

FINANCIAL MANAGEMENT

Accurate financial record-keeping, including timely deposit, payment and accounting of Community Development Block Grant (CDBG) funds is crucial to the successful management of a CDBG funded project.

Federal regulations governing the CDBG program require Grantees to establish adequate recordkeeping. A key provision requires records pertaining to authorizations, obligations, unobligated balances, assets, liabilities, outlays and income be maintained. In the event of conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract regarding financial records shall take precedence.

Detailed information on financial management including how to request CDBG funds can be found in Chapter 8 of the BCD CDBG Implementation Handbook found here:

[Implementation Handbook, Financial Management](#)

NOTE: The CV program does not have a local match requirement.

PROJECT COMPLETION

Final project completion occurs when all funds have been expensed and all reporting, monitoring and completion submission responsibilities related to all projects have been completed by the Unit of General Local Government (UGLG) and approved by DEHCR.

Detailed information on the requirements of project completion including the required forms can be found in Chapter 10 of the BCD CDBG Implementation Handbook found here:

[Implementation Handbook, Project Completion](#)

In addition to the requirements in Chapter 10 of the BCD CDBG Implementation Handbook, Grantees must complete a Housing Completion Report for each activity completed. This form can be found at the end of this handbook.

Project Requirements

AFFORDABILITY REQUIREMENTS:

Rental developments that consist of 3 or more units must ensure that at least 51% of the units are rented to households with annual incomes at or below 80% of the County Median Income adjusted by household size. The rents for these units may not exceed the HUD established fair market rent by bedroom size. To ensure that these requirements are met, multi-family properties are secured with a deed restriction and forgivable mortgage for the term of the affordability period. Grantees have the flexibility to determine how much of the CDBG CV mortgage is forgiven each year until affordability is met. For example, a 20-unit apartment building with a CDBG CV mortgage of \$500,000 is forgiven at the rate of \$25,000 per year.

The sale of a Project during the affordability period is acceptable; however, affordability periods must still be adhered to and included as a deed restriction.

The grantee shall maintain records to verify the project is meeting Low- and Moderate-Income (LMI) affordability requirements. This documentation must be available upon request by the Department or the U.S. Department of Housing and Urban Development. The requirements of the affordability period are listed below.

8 or more units: 20 years

3-7 units: 5 years

Household income limits are published annually on the HUD EXCHANGE.

[Income Limits | HUD USER](#)

Fair Market Rents are published annually on the HUD EXCHANGE. [Rent Limits - HUD Exchange](#)

CONSTRUCTION REQUIREMENTS

CDBG CV funds may be used for acquisition, architecture, and engineering, permitting, site preparation, developer fees and construction costs.

All residential construction projects using CDBG CV funds must comply with federal regulatory requirements and/or state and/or local building codes. In addition to these requirements all new construction projects must meet Green build and Broadband Infrastructure requirements. Additional information on these requirements can be found here:

<https://energyandhousing.wi.gov/Pages/AgencyResources/CDBG-CV.aspx>

TENANT ELIGIBILITY

Income

As noted above, at least 51% of the units must be rented to households with documented incomes at or below 80% of the County Median Income (CMI) for the geographic area, adjusted for household

size, and determined annually by HUD at the time of application. Tenant income is only verified and documented at the time of move in; annual recertification is not required.

The annual income definition found at 24 CFR Part 5 is used by a variety of Federal programs and must be used to determine eligibility for all Wisconsin CDBG Programs.

The guidelines for determining and calculating household income can be found in the 2022 CDBG Housing Manual, Chapter C- Determining Income on pages 22-28 located in the link below. These guidelines must be used in determining household income eligibility.

[Housing Implementation Manual](#)

CDBG CV HOUSING COMPLETION REPORT

This form is required for all residential and or multi-family housing projects. A separate form for each project address and/or building is required.

1. GRANTEE CONTACT

CONTRACT #:	SUBMISSION DATE:	PROJECT NAME:	
<input type="checkbox"/> Original Submission		<input type="checkbox"/> Revision	
GRANTEE NAME:		EMAIL ADDRESS:	
GRANTEE CONTACT:		TELEPHONE:	EXT. #:

2. ACTIVITY INFORMATION

Street Address:			
City:		Zip code:	
11-digit Census Tract #:		County Name:	

Settlement Date or Date of 100% Occupancy (rental)		
Number of years of affordability		Deed Restriction: Forgivable Mortgage:

3. CDBG CV FUNDS

Total CDBG Contract Funds Used on this Activity	1. \$
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4. OTHER FEDERAL FUNDS USED (Specify source & amount) N/A

Federal Funds		\$
Federal Funds		\$
USDA Rural Development Loan		\$
TOTAL FEDERAL FUNDS		\$

5. STATE/LOCAL FUNDS USED (Specify source & amount) N/A

Housing Trust Funds		\$
State/Local Appropriated Funds		\$
State/Local Tax Exempt Bond Proceeds		\$
TOTAL STATE/LOCAL FUNDS		\$

6. PRIVATE FUNDS USED (Specify source & amount) N/A

Lender Name:	Mortgage Amount:		
Loan Type: ___fixed ___variable	Lock in Date:	Interest Rate:	No. of Years:

Private Loan Amount	\$
Owner Cash Contribution	\$
Foundation Grants	\$
Individual Donations (specify who/what)	\$
TOTAL PRIVATE FUNDS	\$

TOTAL ACTIVITY COST (Items 3 through 6)	\$
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7a. HOUSEHOLD CHARACTERISTICS

*Round to the nearest dollar. Report all units within in the development/building. Add additional pages as needed.

Unit No	No. of Bedrooms	Occupant	Monthly Rent (including Tenant Paid Utilities)*			Income Data		Household Data				
			Tenant Contribution	Subsidy Amount	Total Rent	Monthly Gross Income*	% of Area Median	HISPANIC Check if "Yes"	Race of Head of Household	Size of Household	Type of Household	Rental Assistance
	0. efficiency 1. 1Bdrm 2. 2 Bdrms 3. 3 Bdrms 4. 4 Bdrms 5. 5 or more Bdrms	1. Tenant 2. Owner 9. Vacant					1. 0-30% 2. 31-50% 3. 51-80% 4. 81-120% 9. Vacant	HISPANIC Check if "Yes"	11. White 12. Black/African American 13. Asian 14. American Indian / Alaskan Native 15. Native Hawaiian / Other Pacific Islander 16. American Indian / Alaskan Native & White 17. Asian & White 18. Black/African American & White 19. American Indian / Alaskan Native & Black / African American 20. Balance / Other 9. Vacant unit	1. 1 Person 2. 2 Persons 3. 3 Persons 4. 4 Persons 5. 5 Persons 6. 6 Persons 7. 7 Persons 8. 8 or more Persons 9. Vacant	1. Single/non-Elderly 2. Elderly 3. Related/1 parent 4. Related/2 parent 5. Other 9. Vacant Unit	1. Section 8 2. HOME TBA 3. Other 4. None 9. Vacant Unit
			\$	\$	\$	\$		<input type="checkbox"/>				
			\$	\$	\$	\$		<input type="checkbox"/>				
			\$	\$	\$	\$		<input type="checkbox"/>				
			\$	\$	\$	\$		<input type="checkbox"/>				
			\$	\$	\$	\$		<input type="checkbox"/>				
			\$	\$	\$	\$		<input type="checkbox"/>				
			\$	\$	\$	\$		<input type="checkbox"/>				
			\$	\$	\$	\$		<input type="checkbox"/>				
			\$	\$	\$	\$		<input type="checkbox"/>				
			\$	\$	\$	\$		<input type="checkbox"/>				

7b. HOUSEHOLD CHARACTERISTICS:

Please enter the information for the units reported on the previous page under 7a.

- a. Number of households with a member with a disability _____
- b. Number of households with a female head of household _____
- c. Number of high efficiency heating units used _____
- d. Number of units with solar panels _____
- e. Number of dishwashers installed/used _____
- f. Number of Energy Star refrigerators installed/used _____
- g. Number of low flow showerheads installed/used _____
- h. Number of units created with bus/rail access _____
- i. Number of units exceeding Energy Star standards _____
- j. Number of low flow toilets installed _____
- k. Green Build Requirements (required-list standard met) _____
- l. Number of Energy Star windows replaced/used _____
- m. Number of units located on a bus route _____