



# Community Development Block Grant (CDBG) Program

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## CDBG APPLICANT GUIDEBOOK

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*Last update 3/28/2023*

# CDBG Applicant Guidebook

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## Table of Contents

<b>CDBG Applicant Guidebook</b> .....	1
1) Purpose of this document .....	3
2) What is the Community Development Block Grant (CDBG) program .....	3
3) Are funds available .....	3
4) Eligibility Requirements.....	3
Are you an eligible Applicant? .....	3
Is the Project Eligible?.....	4
2. Does the project meet one of the three (3) National Objectives? .....	4
3. Is the Project an Eligible Activity? .....	4
4. Is the Activity you are proposing INELIGIBLE? .....	5
5. Does your project address consolidated plan goals and objectives?.....	5
5) Reporting Requirements .....	6
DOCUMENTING COMPLIANCE WITH NATIONAL OBJECTIVES .....	6
Documenting low and moderate income benefit .....	6
Documenting slum and blight benefit .....	7
Documenting urgent need benefit .....	8
Income Documentation Requirements: .....	8
6) Administrative Requirements:.....	10
7) Procurement Requirements: .....	10
8) Davis bacon and related acts Requirements .....	12
9) Lead Paint Requirements .....	12
10) Other Requirements .....	12
11) How to Apply for Funds:.....	14
12) Application Selection Process:.....	15
13) Contact: .....	15
14) QUICK LINKS TO INFORMATION & FORMS.....	16
Attachment 1 – Project Eligibility Checklist .....	17
Attachment 2 - UEI Number and System for Awards Management (SAM) Instructions.....	21

## 1) PURPOSE OF THIS DOCUMENT

The information contained in this document is also available on the Town of Barnstable website as updated <https://www.townofbarnstable.us/departments/cdbg/default.asp>.

This document is meant to provide a basic understanding of the Community Development Block Grant (CDBG) program and provide general guidance on some of the requirements but not to replace them. Please refer to 24 CFR (Code of Federal Regulations) Part 570 to see the official regulations pertaining to the CDBG program.

## 2) WHAT IS THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Town of Barnstable receives an annual funding allocation from the U.S. Department of Housing and Urban Development (HUD) through the Planning and Development Department Community Development Block Grant (CDBG) Program. These funds are to be used to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate income (LMI) persons.

## 3) ARE FUNDS AVAILABLE

The Town of Barnstable typically announces the availability of CDBG funds while getting ready to prepare the Consolidated Plan and Annual Action Plans. These notices are called **Notice of Funding Availability (NOFA)** and will describe the amount of funds available, any priorities, and direct interested applicants where to get more information on how to apply.

The Town will issue a press release, post the Notice on the Town website, and email to the CDBG distribution list. Please email Elizabeth Jenkins, Planning and Development Development at [elizabeth.jenkins@town.barnstable.ma.us](mailto:elizabeth.jenkins@town.barnstable.ma.us) if you would like to receive email notifications.

The Town will accept requests for funding on a first come first serve basis after the NOFA process is completed while funds are available.

The Town may issue additional NOFAs at other times during the program year if for some reason projects are cancelled or large amounts of funds remain unallocated.

## 4) ELIGIBILITY REQUIREMENTS

### ARE YOU AN ELIGIBLE APPLICANT?

**Non-Profit 501(c)3 organizations, government or quasi-governmental entities are eligible.** *Faith-based organizations proposing to provide services in a secular manner are eligible to apply; however, public resources cannot be used to promote a particular religious point of view.*

**Are you able to carry out the Administrative Requirements?** Please see link to Playing by the Rules Handbook for Subrecipients: <https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/>

**Organizations/Contractors must have a valid UEI number and be registered on the System for Awards Management (SAM.gov) to receive CDBG assistance.** For information on how to obtain a UEI number please visit the website: <https://sam.gov/content/duns-uei>. Please visit [www.Sam.gov](http://www.Sam.gov) to register to do business with the Federal Government. Entities and individuals with an exclusion listed on SAM.gov are not eligible to participate in the CDBG program or receive funding. Registration for both the UEI and SAM system are free to organizations looking for federal assistance.

**Are you in good standing with the CDBG program and current with all reporting and performance requirements?** Applicants unable to meet requirements of previous awards are not eligible for future funds until they can demonstrate capacity to comply.

## IS THE PROJECT ELIGIBLE?

Specific eligible uses and guidelines of CDBG funds are published in the **Code of Federal Regulations book 24 Part 570** (also referred to as 24 CFR Part 570) website: <http://www.ecfr.gov>.

### 1. DOES THE PROJECT MEET ONE OF THE THREE (3) OUTCOME REQUIREMENTS?

1. Provide decent affordable housing
2. Create economic opportunities
3. Create a suitable living environment

### 2. DOES THE PROJECT MEET ONE OF THE THREE (3) NATIONAL OBJECTIVES?

1. Benefit low and moderate income residents;
2. Aide in prevention or elimination of slums or blight; or
3. Meets urgent community development need.

**In general, activities must meet Objective #1** and require verification of income for persons benefitting from the activity. Project must benefit Town of Barnstable residents with incomes at or below 80% of the Area Median Income for the Barnstable Town MA MSA. See current **HUD Income Limits as amended** (*HUD currently requires the CDBG program to use the HUD HOME Income Limits available online at: <https://www.hudexchange.info/programs/home/home-income-limits/>*

**HUD limits the amount of funds for Objectives 2 and 3.** The maximum is calculated by:

Award amount minus 20% X 70% = LMI Benefit Required, the remaining 30% may be used for objectives 2 and 3

- **Objective #2** Requires designating target areas and enacting definitions of “slum” and “blight”.
- **Objective #3** Use of the urgent need national objective category is rare. It is designed only for activities that alleviate emergency conditions.

**See Documenting Compliance with National Objectives below**

### 3. IS THE PROJECT AN ELIGIBLE ACTIVITY?

- HUD provides a detailed [Guide to National Objectives and Eligible Activities](https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/) available online: <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>
- As a convenience Attachment 1 includes a project eligibility checklist that summarizes eligible activities. If you do not see your project listed in the checklist we suggest you check the HUD Guide.

If not listed in either place it probably means that the activity does not meet the eligibility requirements of this program. For more information by project type please refer to Town website or call PDD office.

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#### 4. IS THE ACTIVITY YOU ARE PROPOSING INELIGIBLE?

Certain activities are not eligible for funding under the CDBG program. Please refer to 24 CFR 570.207.

**The following activities are not eligible for assistance:**

- Buildings or portions of used for general conduct of government; general governmental expenses;
- Political activities are ineligible;
- Purchase of equipment, furnishings or personal property,
- Operating and maintenance expenses,
- Payment of salaries for staff, utility costs and similar expenses necessary for operation of public works and facilities;
- **New housing construction**\* and
- Income Payments\*\*

\*CDBG regulations state that new housing construction is ineligible unless conducted by an approved Community Based Development Organization (CBDO). Please refer to [24 CFR 570.204](https://www.govinfo.gov/content/pkg/CFR-2011-title24-vol3/pdf/CFR-2011-title24-vol3-sec570-204.pdf): <https://www.govinfo.gov/content/pkg/CFR-2011-title24-vol3/pdf/CFR-2011-title24-vol3-sec570-204.pdf> to see if your organization can qualify as a CBDO and contact the Planning and Development Department if interested in pursuing. HUD approval of CBDOs is required before funding commitments can be made. Currently the only approved CBDO for the Town is Housing Assistance Corporation (HAC).

\*\*Income Payments are payments to an individual or family, which are used to provide basic services such as food, shelter (including payment for rent, mortgage, and/or utilities) or clothing. However, such expenditures are eligible under the following conditions:

- The income payments do not exceed three consecutive months; and
- The payments are made directly to the provider of such services on behalf of an individual or family.

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#### 5. DOES YOUR PROJECT ADDRESS CONSOLIDATED PLAN GOALS AND OBJECTIVES?

Please review the Five Year Consolidated Plan, as amended, available on the Town website at: <https://www.townofbarnstable.us/departments/cdbg/default.asp>. The Town cannot fund activities that do not address goals and objectives of the Consolidated Plan without triggering a substantial amendment process that includes public notification and comment period and approval from HUD as indicated in the Citizen Participation Plan also available at web address above.

**Goal and Objectives as of 2021. Summarized (please see 2020-2025 Con Plan for details):**

- Decent Housing
- Suitable Living Environments
- Economic Opportunities

- Urgent needs and other eligible projects to support recovery from COVID-19
- Priorities may be given for activities that provide:
  - Food security for vulnerable populations
  - Child care services for essential employees and first responders
  - Services and shelter for homeless persons
  - Micro-enterprise business and small business assistance for those impacted by COVID-19
  - Other activities that prevent, prepare for or respond to COVID-19

## 5) REPORTING REQUIREMENTS

### DOCUMENTING COMPLIANCE WITH NATIONAL OBJECTIVES

HUD requires documentation of compliance with national objectives for all funded projects. As mentioned in Section 4 above there are 3 national objectives, but the majority of funds (70%) must be used to benefit low and moderate income persons. Household size and total income of all members is required to receive funding.

#### DOCUMENTING LOW AND MODERATE INCOME BENEFIT

**Housing Activities** carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- or moderate-income households. Multi-unit projects must be occupied by at least 51% LMI persons. Direct financial assistance is only eligible to LMI homebuyers. Reporting requirements include the number of households served, number of units completed, number of persons in each household, total income for all household members, and demographic information including race, ethnicity, whether female head of household, persons over 62 years of age, and income level of the household occupying the unit by 30%, 50%, or 80% LMI and whether units or tenants are receiving other federal, state or local subsidies. Income verification is required see Income Documentation Requirements section below. See lead paint requirements for more details.

**Job Creation or Retention Activities** An activity designed to create or retain permanent jobs, where at least 51% of the jobs, computed on a full time equivalent basis, involve the employment of low- or moderate-income persons. CDBG regulations require the subrecipient to document one of the following:

(1) for an activity that creates jobs, the recipient must document that at least 51% of the jobs will be held by, or will be available to, low- or moderate-income persons, and

(2) for an activity that retains jobs, the recipient must document that the jobs would have been lost without CDBG assistance and that either both the job is known to be held by a low- or moderate-income person or the job can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that it will be filled by, or made available to, a low- or moderate-income person upon turnover.

Income verification of persons occupying jobs created or retained is required see Income Documentation Requirements section below.

**LMI Limited Clientele (Specific Group):** Activities that benefit a specific group of people (rather than all residents in a particular area), at least 51% of whom are LMI persons. The following groups are presumed to be LMI: abused children, elderly persons, battered spouses, homeless, severely disabled persons, illiterate persons. Income verification is required see Income Documentation Requirements section below. *Examples: rehab and other improvements to the senior center, public services for homeless persons or youth services for LMI persons.*

**LMI Area Benefit:** Activities that meet the identified needs of LMI persons residing in an area where at least 51% of those residents are LMI persons. The benefits of this type of activity are available to all persons in the area regardless of income. Documentation of service area is required. *Examples: street improvements, water/sewer lines, neighborhood facilities, façade improvements in neighborhood commercial districts.*

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## DOCUMENTING SLUM AND BLIGHT BENEFIT

**Slum and Blight Area (SBA) Benefit:** To qualify under this category, the area in which the activity occurs must be designated as slum or blighted. The following tests apply:

The designated area in which the activity occurs must meet the definition of a slum, blighted, deteriorated or deteriorating area under state or local law;

Additionally, the area must meet either one of the two conditions specified below:

- Public improvements throughout the area are in a general state of deterioration; or
- At least 25 percent of the properties throughout the area exhibit one or more of the following:
  - Physical deterioration of buildings/improvements;
  - Abandonment of properties;
  - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;
  - Significant declines in property values or abnormally low property values relative to other areas in the community; or
  - Known or suspected environmental contamination.

Documentation must be maintained on the boundaries of the area and the conditions that qualified the area at the time of its designation. The designation of an area as slum or blighted must be re-determined every 10 years for continued qualifications. Finally, eligible activities must address one or more of the identified conditions that contributed to the deterioration of the area.

### **Records to be maintained include:**

- Area designated (i.e., boundaries) and date of designation
- Documentation and description of blighted conditions that meet the criteria identified at 570.208(b)(1)(ii)(A) or (B) (e.g., photographs, structural surveys, or development plans)
- For residential rehabilitation: Local definition of substandard, pre-rehabilitation inspection report qualifying the building as substandard and work plan describing deficiencies, scope of work performed, by structure, with documentation that substandard elements were addressed first; and Evidence that the activities undertaken address one or more of the conditions that contributed to the deterioration of the area.
- Income verification is required see Income Documentation Requirements section below.

### **Slum and Blight Spot Basis (SBS):**

Activities under this category are limited to acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, and building rehabilitation activities. Furthermore, rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.

**Records must include:** Description of condition addressed by activity, Documentation of eligibility of activity under this category, and – For rehabilitation, a description, by structure, of specific conditions detrimental to public health and safety identified and those addressed by the rehabilitation.

## DOCUMENTING URGENT NEED BENEFIT

Use of the urgent need national objective category is rare. It is designed only for activities that alleviate emergency conditions.

Urgent need qualified activities must meet the following criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
- The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
- The grantee is unable to finance the activity

### Files should include:

- Documentation of urgency of need and timing and that the activity was designed to address the urgent need;
- Evidence the recipient certified that the CDBG activity was designed to address the urgent need; and
- Evidence confirming that other financial resources were unavailable and CDBG had to be used.

## INCOME DOCUMENTATION REQUIREMENTS:

Documentation must be collected and submitted to the Town to demonstrate income eligibility of persons benefiting from CDBG programs. Documentation shall be consistent with HUD income calculation methods as updated. HUD provides an online Income Calculator at:

<https://www.hudexchange.info/incomecalculator/> that includes accepted definitions, user manual and downloadable forms to document compliance.

*Examples of documentation required to determine income:* IRS 1040 forms, W2 forms, minimum of 6 weeks of most recent pay stubs, Social Security, Disability, or Veteran award letters as applicable, saving and checking account statements, retirement statements, alimony agreements, and proof of any other income received.

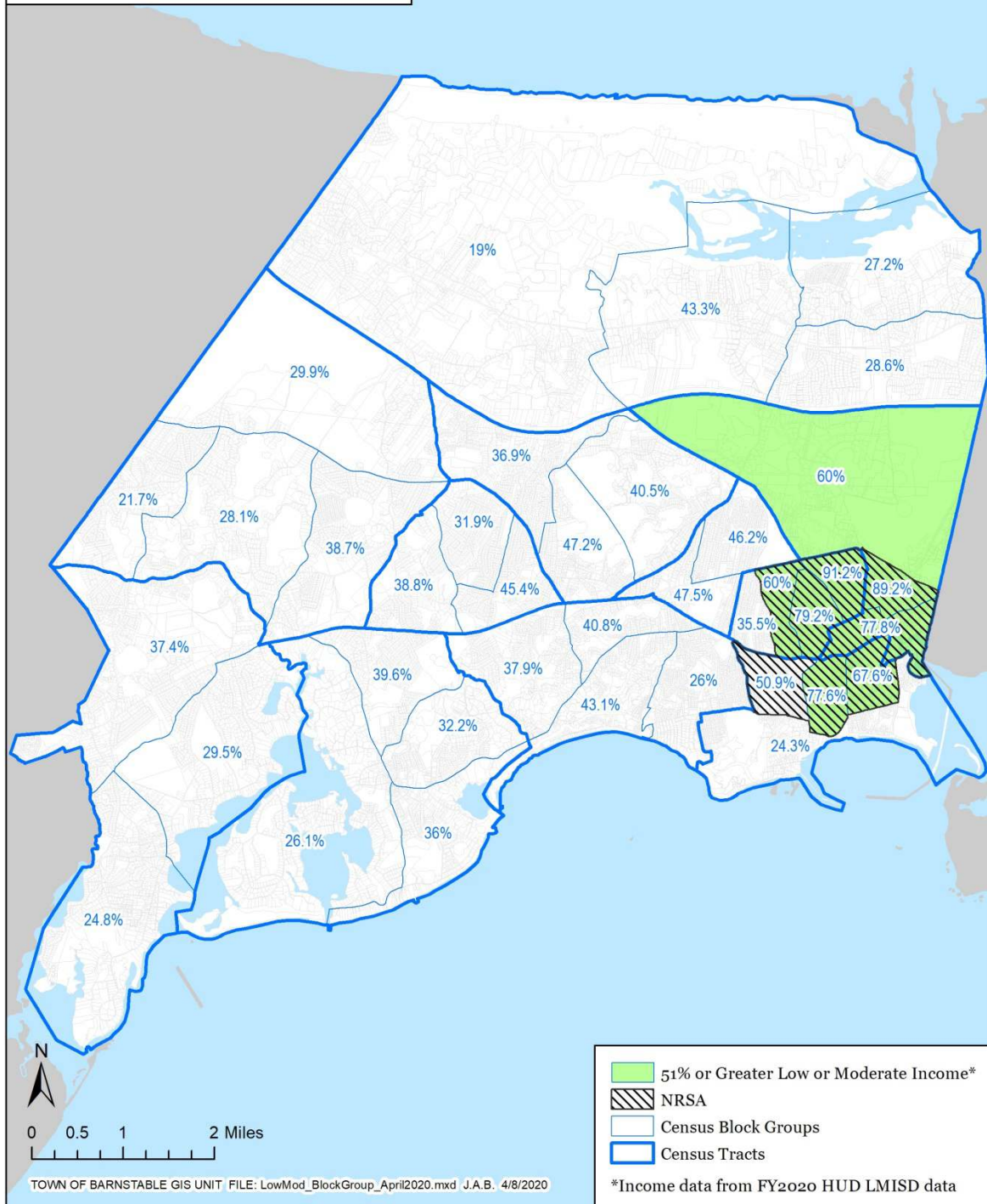
Documentation must include the total number of persons in the household, income for each household member over 18 years of age, and signed by head of household and agency certifying the income.

**Area Benefit Activities.** When activity benefits all residents in a particular area, where at least 51% of the residents are low- or moderate-income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries, but the entire area must be served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion. CDBG regulations required documentation of area boundaries served and demonstrated evidence the area is at least 51% low and moderate income. Census data or surveys can be used to demonstrate LMI status .

Map below shows the percentage of LMI persons by census tract.



**Town of Barnstable  
Low & Moderate Income Percentage  
by Census Block Group**



## 6) ADMINISTRATIVE REQUIREMENTS:

Recipients must comply with Title 2 of the Code of Federal Regulations (CFR) Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as updated by HUD and available online at: [https://ecfr.io/Title-02/cfr200\\_main](https://ecfr.io/Title-02/cfr200_main)

## 7) PROCUREMENT REQUIREMENTS:

### Five Methods of Procurement

#### 1. Micro-purchases

*Micro-purchase* means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation. Threshold for construction or rehabilitation projects is \$2,000 and subject to Davis Bacon and Related Acts.

#### 2. Small Purchase Procedures

This method of procurement can be used for the relatively simple and informal procurement transactions of securing certain services, supplies, equipment or other property that does not cost more than \$100,000 in the aggregate. Price or rate quotations are obtained from an adequate number\* of qualified sources to determine the most advantageous provider. \*A minimum of three (3) quotes is requested unless there are specific circumstances that this is not possible. Please consult the PDD office with any questions.

#### 3. The sealed bid (formal advertising)

This method of procurement is consistent with state law for procurement transactions undertaken for public improvement projects (M.G.L. c.149 and c. 30, § 39M).

Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in Sec. 85.36(d)(2)(i) apply.

In order for sealed bidding to be feasible, the following conditions should be present:

- a. A complete, adequate, and realistic specification or purchase description is available;
- b. Two or more responsible bidders are willing and able to compete effectively and for the business; and
- c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- a. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
- b. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
- c. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- d. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- e. Any or all bids may be rejected if there is a sound documented reason.

For more detail, reference the **2 CFR Part 200.317- 326**:

#### **4. Competitive Proposals**

Procurement by competitive proposals generally is the method used for the selection of professional services. More than one source submits an offer and either a fixed-price or cost reimbursement (with a maximum amount or not to exceed figure) type of contract is awarded. Proposals from an adequate number of qualified sources are solicited through a formal, written request for proposals (RFP). The RFP must be publicized and must identify all evaluation factors and their relative importance.

Recipients must have a method for conducting technical evaluations of the proposals received and for selecting awardees. Any response to publicized requests for proposals must be honored to the maximum extent practical. An award is made to the responsible firm whose proposal is most advantageous, with price and other factors considered.

When procuring architectural/engineering (A/E) professional services, qualification-based procurement procedures may be used. Qualifications are solicited through a formal written request for qualifications (RFQ) process including a publicized notice. The most qualified competitor is selected based on established evaluation review criteria. The award is then made subject to fair and reasonable negotiated compensation. This method of procurement, where price is not used as a selection or evaluation factor, may be used only in the procurement of actual A/E professional services.

#### **5. Noncompetitive Proposals**

This method of procurement involves the solicitation of a proposal from only one source. Procurement by noncompetitive proposals (sole-source procurement) may be used only when one of the four following circumstances applies:

- 1) The item is available only from a single source.
- 2) Public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
- 3) The federal awarding agency or (pass through entity) expressly authorizes this method in response to a written request from a non-Federal agency.
- 4) After solicitation from a number of sources, competition is determined inadequate.

#### **6. Exemptions to Procurement Requirements *(added February 2019)***

In contrast to Subrecipient Agreements, Accounting Standards and Procurement requirements do not apply to Developer Agreements. But developers are still required to adhere to all other accounting requirements for recipients of federal funds, maintain adequate internal controls, and maintain documentation for costs incurred. Specific procurement rules do not apply and developers do not have to account for program income, though they and their development partners may not receive "undue enrichment" (for-profits) or unreasonable costs (non-profits). The HUD definition of a developer only includes Non-profits (ex. CHDO) or Private For-Profit recipients. Public or private Grantee or Consortium Member and Public Non-profit (housing or redevelopment authority) are NOT eligible to be a developer under the CDBG program. Developers are funded to complete a project, must have site control, plan, obtain permits, and manage the project from start to finish and cannot just serve as contractors. A written agreement between the Developer and the Town is required along with a cost analysis and documented determination of reasonable costs.

#### **Administrative Exemptions**

To qualify for the administrative employee exemption, all of the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
- The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers; and
- The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

#### **Pre-Procurement Review of Technical Specifications (2015 update)**

Per 2 CFR Part 200.324, upon request of the Federal Awarding agency (U.S. Department of HUD, herein "HUD") or the Pass Through entity (the Town of Barnstable, herein "Town") and representatives of such agencies, the non-Federal entity (CDBG applicant/ recipient) must make available:

- The Technical specifications on proposed procurements where HUD or the Town believes the review is needed to ensure that the item or service specified is the one being proposed for acquisition.

- Upon request of HUD or the Town, the applicant/ recipient must make the procurement documents (e.g. requests for proposals, invitations for bids, or independent costs estimates) available for pre-procurement review when:
  - The non-Federal entity's procurement procedures or operations fail to comply with procurement standards in Part 200
  - The procurement specifies a "brand name" product
  - The proposed contract is to be awarded to other than the apparent low bidder under a sealed bid procurement.
  - A proposed contract modification changes the scope of the contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- The non-Federal entity is exempt from the pre-procurement review:
  - If the HUD or the Town determines that its procurement systems comply with the standards of Part 200
  - The non-Federal entity self certifies its procurement system (but the self-certification does not limit HUD or the Town 's right to survey the system)

## 8) DAVIS BACON AND RELATED ACTS REQUIREMENTS

Projects involving construction or rehabilitation of buildings or property trigger compliance with Davis Bacon and Related Acts (DBRA). Please visit: <https://www.dol.gov/agencies/whd/government-contracts/construction> for information and forms.

In summary federal Davis Bacon wage rates and standards apply to projects receiving \$2,000 or more of federal assistance. Rates are based on location and type of work done and available online at <https://beta.sam.gov/>. CDBG applicants must provide information to potential contractors when obtaining estimates and request project wage sheets with bids. Recipients will be required to request rates if needed before the job begins; submit project wage sheets; provide work dates for employee interviews, and collect and submit certified payrolls weekly. Failure to comply with DBRA could result in loss of funds.

## 9) LEAD PAINT REQUIREMENTS

HUD's Lead Safe Housing Rule (24 CFR Part 35) and requirements apply to CDBG funded projects and available online at: <https://www.hudexchange.info/onecpd/assets/File/Basically-CDBG-State-Chapter-13-Lead.pdf>. Lead applicability form require for all housing, acquisition, leasing, rehabilitation and support services and operations activities. Additional documentation based on applicability determined is required to comply with the statute.

## 10) OTHER REQUIREMENTS

In addition to requirements mentioned above there are many other related regulations that should be considered when applying for funds. Some of these may have a direct impact on your budget or may be inconsistent with your organization's policies. You will be required to submit documentation demonstrating compliance with all related laws and regulations as applicable to your project.

In an effort to help you understand some basic information we have provided a summary of a few of those requirements below. Please note the information below is not complete and does not replace the regulations. See also HUD's Guide to National Objectives and Eligible Activities at: <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/> and the Town website [www.townofbarnstable.us/cdbg](http://www.townofbarnstable.us/cdbg).

PROJECT TYPE	REQUIREMENT	TRIGGER	DOCUMENTATION REQUIRED
All CDBG Activities	Income Eligibility	Use of CDBG funds	Proof of income and assets and other documentation depending on which HUD approved method used to calculate.
All CDBG Activities	Projects must occur within Town of Barnstable borders	Use of CDBG funds	If serving a larger population funds would be pro-rated. Housing assistance is only available within Town Boundaries.
All CDBG Activities	Environmental Release of Funds	Use of CDBG funds	ERR - All projects/programs need to be reviewed for compliance.
All CDBG Activities	Eligible Citizenship	Use of CDBG funds	Proof of eligible citizenship status of beneficiaries.
All CDBG Activities	Procurement policies	Use of CDBG funds for services or to purchase products	Generally speaking: 3 quotes; proof of contractor eligibility to work in Town & on federal contracts; Cost reasonableness; some projects have more requirements
Construction, Rehabilitation, demolition, modifications to real property	Davis Bacon and Related Acts (DBRA)	\$2,000 or more of Federal funds	BID docs including DB Rate req's; Project wage sheets, Weekly payrolls, notification of work dates to set up employee interviews, etc.. DB applies to ENTIRE project-not just fed funded portion.
Housing projects of any kind	Lead Safe Housing Rule	Properties built before 1978 & compliance is based on dollar amount of assistance	Lead Safe Checklist, Lead Safe Applicability form, and required attachments. Rehab: Under \$5,000 safe work practices and stabilization if lead disturbed; \$5,001-\$25,000- Clearance, notice to home owners; Full abatement over \$25,000. Acquisition: Lead hazard assessment, deteriorated paint must be stabilized prior to occupancy, safe work practices and clearance required. Notification: Lead hazard information pamphlet and notice of reduction activity must be provided.
Acquisition or rehab of Real Property	Real Property 200.311	Activities involving the purchase or improvements of real property	Real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the non-Federal entity must not dispose of or encumber its title or other interests. Change of use requires Town and HUD approval and must comply with public notification procedures. Properties no longer meeting a national objective or not approved for change of use require repayment and/or other default terms as indicated in the written agreement.
Construction, demolition, rehab of housing or public facilities, infrastructure, etc.	Section 3	\$200,000 combined on applicable activities; and \$100,000+ on individual contracts; need for new employment, contracting, or training opportunities	Implementing procedures to notify Section 3 residents & business concerns about training, employment, & contracting opportunities generated by Section 3 covered assistance.

Access to project information and documentation must be granted to the Town of Barnstable, HUD, and Office of Management and Budget (OMB) and any of representatives as requested.

## 11) HOW TO APPLY FOR FUNDS:

Applications thereafter will be accepted on a first come first serve basis until funds are fully committed.

If you are a new applicant or if you are not sure whether your project meets eligibility guidelines it is recommended that you submit a Pre-Application for review. If you know your proposed project is eligible you may skip the pre-application process and submit a full application for review. Both available on the Town website at: <https://www.townofbarnstable.us/departments/cdbg/default.asp>.

**Step 1 – Pre-Application Updated 2023:** Please complete and submit a pre-application form for consideration. If the proposal appears to meet the initial requirements you will be asked to submit a full application. The pre-application available on the Town of Barnstable website and should be submitted by email with “CDBG Pre-Application” in the subject line.

**Step 2 – Application: If the pre-application meets the minimum requirements you will be asked to complete a full application.** Applications and instructions are located on the Town website and can be emailed upon request. Applications will also be available in the Planning and Development Department at 367 Main Street, 3<sup>rd</sup> Floor, Hyannis, MA 02601. Applications shall be submitted by email with “CDBG Application” in the subject line.

### Instructions for Submitting Attachments – Important Please Read

After you submit your application you will receive an email from Town employee requesting the attachments listed below. The email will say “File Request” at the top; will include Town contact information and the Liquid files logo at the bottom. This is a secure portal to submit files that contain confidential or sensitive information.

Please click on the “Send Requested files” button in the email. It will bring up a secure email page with an “Add files” button. Please select the files you want to send, add a message if desired and click the send button.

### List of Required Attachments:

- 501(c)(3) Letter of Tax Determination Status from the Internal Revenue Service (IRS)
- One (1) copy of agency’s most recent financial audit
- One (1) copy; MA Certificate of Good Standing A Certificate of Good Standing
- *Additional information may be requested as needed to determine eligibility*

**Step 3 – Environmental Review Process:** The CDBG program requires Environmental Reviews for all proposed projects before funding approval. You may be asked for additional information necessary to complete the review. Projects cannot be approved until this process is complete.

**Step 4 – Contracts:** HUD requires written agreements with recipients that outline the terms and conditions of accepting CDBG funds. Contracts are valid after all parties sign and upon the Congressional Release of Funds by HUD. Funds cannot be used for activities occurring before the contract is fully executed.

**Step 5 – Notice to Proceed:** When the contract is fully executed and HUD releases the funds you will be given a notice to begin your project. **Funds cannot be used for items committed or purchased before this time.**

## 12) APPLICATION SELECTION PROCESS:

Pre-Applications are reviewed to see if it meets the minimum eligibility requirements. If information provided in the pre-application phase appear to meet the minimum requirements you will be asked to complete a full application.

Applications are evaluated by a review committee and rated based on the following:

- Activities must meet a National Objective and be an Eligible Activity. If these criteria are not met the application will not be reviewed any further and will not be eligible for CDBG funds.
- Applicants must have a valid Unique Entity ID (UEI) number and be registered with the System for Awards Management (SAM.gov) to qualify for assistance under this program.
- Application completeness and conformance with submission policies – incomplete applications will NOT be reviewed for funding.
- Support of Consolidated Plan Goals and Objectives
- Public benefit - numbers of households or persons served that are low/moderate income residents; number of low or extremely low income residents served; number of limited clientele served; number of affordable housing units created; number of full time jobs for low/mod persons created/retained, etc.
- Demonstrated need for project or program including coordination/collaboration Projects are carefully reviewed in an effort not to duplicate services.
- Amount of agency and other funding sources in the project or program - leveraging
- Timeliness and capacity of Agency to carry out the project within the program year with most of the funds expended by April.
- Capacity to comply with all grant requirements. Past performance and award history or similar experience, qualifications reviewed.
- Participation in the Consolidated Planning process-attendance at CDBG public meetings or consultations, etc.
- Financial stability

### **Priorities for the 2023 NOFA:**

- Public service activities serving a limited clientele population, including vulnerable populations, services for homeless populations, and other eligible services for vulnerable populations.
- Micro-enterprise or small business assistance to retain or create jobs or economic opportunities for low and moderate-income persons
- Services to support public safety in the downtown Hyannis Neighborhood Revitalization Strategy Area (NRSA)

Recommendations are made to the Town Manager who makes the final determination and approvals.

## 13) CONTACT:

Please visit us in person at 367 Main Street, 3rd Floor, Hyannis, MA 02601 or contact us by email or phone:

[elizabeth.jenkins@town.barnstable.ma.us](mailto:elizabeth.jenkins@town.barnstable.ma.us)

(P): 508-862-4678

## 14) QUICK LINKS TO INFORMATION & FORMS

There are many guidelines and regulations that relate to the CDBG program. Below is a list of related resources to help you understand them. See also Town website for updated information:

<https://townofbarnstable.us/departments/cdbg/default.asp>.

Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems <https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/>

Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

HOME Income Limits (*Also used for the CDBG program per HUD*) <https://www.hudexchange.info/programs/home/home-income-limits/>

CPD Income Calculator <https://www.hudexchange.info/incomecalculator/>

Link to Federal Wage Requirements & Information <https://www.dol.gov/agencies/whd/government-contracts/construction>

Link to Federal Wage Rates as of June 2019 <https://beta.sam.gov/>

Guidance on Minority Business Enterprise and Women's Business Enterprise Outreach <https://www.hudexchange.info/resource/248/guidance-on-minority-business-enterprise-and-womens-business-enterprise-outreach/>

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### RELATED WEBSITES:

U.S. Department of Housing and Urban Development (HUD): <https://www.hud.gov/>

Code of Federal Regulations (CFR): <https://www.ecfr.gov/cgi-bin/ECFR?page=browse>

Davis Bacon and Related Acts (DBRA): <https://www.dol.gov/agencies/whd/government-contracts/construction>



## ATTACHMENT 1 – PROJECT ELIGIBILITY CHECKLIST

### Basic Eligible Activities - 570.201

CDBG funds may be used for the following activities: *(please check appropriate box)*

(a)	<input type="checkbox"/> <b>Acquisition</b>	Acquisition in whole or in part by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose.
(b)	<input type="checkbox"/> <b>Disposition</b>	Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property.
(c)	<input type="checkbox"/> <b>Public facilities and improvements</b>	Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except buildings for the general conduct of government. Activities may include: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements;</li> <li>• <input type="checkbox"/> Design features and improvements that promote energy</li> <li>• <input type="checkbox"/> Architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance</li> <li>• <input type="checkbox"/> Eligible facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims.</li> </ul>
(d)	<input type="checkbox"/> <b>Clearance activities</b>	Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites. Demolition of HUD-assisted or HUD-owned housing units maybe undertaken only with the prior approval of HUD.
(e)	<input type="checkbox"/> <b>Public services</b>	Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, homebuyer down payment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be meet each of the following criteria: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> A new service or a quantifiable increase in the level of an existing service above that which has been provided with State and Local funds in the previous 12 calendar months ; and</li> <li>• <input type="checkbox"/> The amount of CDBG funds obligated for public services shall not exceed 15 percent of the annual grant, and 15 percent of program income received during the immediate proceeding program year.</li> <li>• <input type="checkbox"/> Continuation of a Public Service program funded by TOB CDBG in the previous program year.</li> </ul>
(f)	<input type="checkbox"/> <b>Interim assistance.</b>	Activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where immediate action is and where permanent improvements will be carried out as soon as practicable in order to alleviate emergency conditions threatening the public health and safety in areas where an emergency condition exists and requires immediate resolution.
(g)	<input type="checkbox"/> <b>Payment of non-Federal share.</b>	Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities.
(h)	<input type="checkbox"/> <b>Urban renewal completion.</b>	Payment of the cost of completing an urban renewal project funded under <b>title I of the Housing Act of 1949 as amended</b>
(i)	<input type="checkbox"/> <b>Relocation.</b>	Relocation payments and other assistance for permanently and temporarily relocated individuals' families, businesses, nonprofit organizations, and farm operations.
(j)	<input type="checkbox"/> <b>Loss of rental income.</b>	Payments to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities assisted under this part.
(k)	<input type="checkbox"/> <b>Housing services.</b>	Housing services such as tenant counseling in connection with tenant-based rental assistance and affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act.
(l)	<input type="checkbox"/> <b>Privately owned utilities.</b>	CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.

(m)	<input type="checkbox"/> <b>Construction of housing.</b>	CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.
(n)	<input type="checkbox"/> <b>Homeownership assistance.</b>	CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act.
(o)	<input type="checkbox"/> <b>Facilitate economic development.</b>	(c) CDBG funds may facilitate economic development by: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment, stabilization, and expansion of micro enterprises;</li> <li>• <input type="checkbox"/> Providing technical assistance, advice, and business support services to owners of micro-enterprises and persons developing micro enterprises; and</li> <li>• <input type="checkbox"/> Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of micro enterprises and persons developing micro enterprises.</li> </ul>
(p)	<input type="checkbox"/> <b>Technical assistance.</b>	Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities.
(q)	<input type="checkbox"/> <b>Assistance to institutions of higher education.</b>	Provision of assistance to institutions of higher education if such institution has demonstrated a capacity to carryout eligible activities.

*If your activity cannot be classified as one of the above continue to the next page.*

**Eligible rehabilitation and preservation activities - 570.202**

(a) <input type="checkbox"/>	<b>Types of buildings and improvements eligible for rehabilitation assistance.</b>	CDBG funds may be used to finance the rehabilitation of: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Privately owned buildings and improvements for residential purposes; improvements to a single-family residential property which is also used as a place of business, which are required in order to operate the business, need not be considered to be rehabilitation of a commercial or industrial building, if the improvements also provide general benefit to the residential occupants of the building;</li> <li>• <input type="checkbox"/> Low-income public housing and other publicly owned residential buildings and improvements;</li> <li>• <input type="checkbox"/> Publicly or privately owned commercial or industrial buildings, except that the rehabilitation of such buildings owned by a private for-profit business is limited to improvements to the exterior of the building and the correction of code violations;</li> <li>• <input type="checkbox"/> Nonprofit-owned nonresidential buildings and improvements</li> <li>• <input type="checkbox"/> Manufactured housing when such housing that is part of the community's permanent housing stock.</li> </ul>
(b) <input type="checkbox"/>	<b>Types of assistance.</b>	CDBG funds may be used to finance the following types of activities, and related costs: <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;</li> <li>• <input type="checkbox"/> Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures, which may be undertaken singly, or in combination;</li> <li>• <input type="checkbox"/> Loans for refinancing existing indebtedness secured by a property being rehabilitated;</li> <li>• <input type="checkbox"/> Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;</li> <li>• <input type="checkbox"/> Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks;</li> <li>• <input type="checkbox"/> Connection of residential structures to water distribution lines or local sewer collection lines;</li> <li>• <input type="checkbox"/> For rehabilitation carried out with CDBG funds, costs of: Initial homeowner warranty premiums; Hazard insurance premiums, except where assistance is provided in the form of a grant; and Flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973; and Procedures concerning inspection and testing for and abatement of lead-based paint.</li> <li>• <input type="checkbox"/> Costs of acquiring tools to be lent to owners, tenants, and others who will use such tools to carry out rehabilitation;</li> </ul>

		<ul style="list-style-type: none"> <li>• <input type="checkbox"/> Rehabilitation services, such as rehabilitation counseling, energy auditing, preparation of work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities</li> <li>• <input type="checkbox"/> Assistance for the rehabilitation of housing under section 17 of the United States Housing Act of 1937;</li> <li>• <input type="checkbox"/> Improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to buildings and improvements eligible for assistance under paragraph (a) of this section</li> </ul>
(c)	<input type="checkbox"/> <b>Code enforcement</b>	Costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area
(d)	<input type="checkbox"/> <b>Historic preservation.</b>	CDBG funds may be used for the rehabilitation, preservation or restoration of historic properties, whether publicly or privately owned. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a State or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance. Historic preservation, however, is not authorized for buildings for the general conduct of government
(e)	<input type="checkbox"/> <b>Renovation of closed buildings.</b>	CDBG funds may be used to renovate closed buildings, such as closed school buildings, for use as an eligible public facility or to rehabilitate such buildings for housing
(f)	<input type="checkbox"/> <b>Lead-based paint activities.</b>	Lead-based paint activities as set forth in part 35 of this title.

*If your activity cannot be classified as one of the above continue to the next page.*

### Special economic development activities - 570.203

A recipient may use CDBG funds for special economic development activities as part of an economic development project. The recipient must ensure that the appropriate level of public benefit will be derived before obligating funds. Special activities authorized under this section do not include assistance for the construction of new housing. Special economic development activities include:

(a)	<input type="checkbox"/> The acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, including railroad spurs or similar extensions.
(b)	<input type="checkbox"/> The provision of assistance to a private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms of support, for any activity where the assistance is appropriate to carry out an economic development project.
(c)	<input type="checkbox"/> Economic development services include, but are not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of all necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities, including the costs of providing necessary training for persons filling those positions.

### Special activities by Community-Based Development Organizations (CBDOs). - 570.204 (Currently, only Housing Assistance Corporation (HAC) is currently designated if interested call CED Coordinator)

(a)	<input type="checkbox"/> <b>Eligible activities</b>	CDBG funds may be used by CBDO to carry out a neighborhood revitalization, community economic development, or energy conservation project, including: <ul style="list-style-type: none"> <li>• Activities listed as eligible; and</li> <li>• Activities not otherwise listed as eligible - excluding buildings for the general conduct of government business, general government expenses, and political activities.</li> </ul>
(b)	<input type="checkbox"/> <b>Activities must:</b>	(1) Meet the public service requirements, although services specifically designed to increase economic opportunities through job training and placement and other employment support services; (2) meet the requirements of the guidelines for evaluating and selecting economic development project under Section 570.209; and (3) must not result in the recipient exceeding the 20% limit on planning and administrative costs.
(c)	<input type="checkbox"/> <b>Eligible Entities are:</b>	<ul style="list-style-type: none"> <li>• <input type="checkbox"/> Non-profit or for-profit organizations engaged in community development activities primarily within an identified geographic area and whose primary purpose is the improvement physical, economic and social environment;</li> <li>• <input type="checkbox"/> Section 301 (d) Small Business Investment Companies; including those which are profit making; State or local Development Companies; or Community Housing Development Organizations (CHDOs);</li> <li>• <input type="checkbox"/> Organization similar in purpose, function and scope.</li> </ul>

***If your activity cannot be classified under one of the above it may not be eligible for CDBG funding. Please see below and contact 508-862-4678 if any questions.***

**INELIGIBLE ACTIVITIES - 570.207**

The general rule is that any activity that is not authorized under the provisions of §§570.201-570.206 is ineligible to be assisted with CDBG funds. This section identifies specific activities that are ineligible and provides guidance in determining the eligibility of other activities frequently associated with housing and community development.

(a)	<input type="checkbox"/> The following activities may not be assisted with CDBG funds: <ul style="list-style-type: none"> <li>• Buildings or portions thereof, used for the general conduct of government</li> <li>• General government expenses;</li> <li>• Political activities.</li> </ul>
(b)	<p>The following activities may not be assisted with CDBG funds unless carried out as a special economic development activity, or as a public service, or by an eligible community-based development organization, or by the recipient as specifically authorized.</p> <ul style="list-style-type: none"> <li>• <input type="checkbox"/> Purchase of equipment;</li> <li>• <input type="checkbox"/> Construction equipment;</li> <li>• <input type="checkbox"/> Fire protection equipment. Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under §570.201(c);</li> <li>• <input type="checkbox"/> Furnishings and personal property;</li> <li>• <input type="checkbox"/> Operating and maintenance expenses;</li> <li>• <input type="checkbox"/> Payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities;</li> <li>• <input type="checkbox"/> New housing construction;</li> </ul>
<input type="checkbox"/> <b>Income payments</b>	<p>Defined as a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months directly to the provider of such items or services on behalf of an individual or family. One time grants, emergency type grants, or loans for such purposes may be authorized under the category of Public Services [see §570.201(e)]. Reference: §570.207(b)(4)</p>

## ***e-snaps Resource Document – UEI Number and SAM***

This document provides instructions on how to obtain a Unique Entity ID (UEI) Number and register with the System for Award Management (SAM). All Collaborative Applicants and Project Applicants must have a Unique Entity ID (UEI) Number, and all Project Applicants (including Collaborative Applicants applying for CoC planning funds) must register with the System for Award Management (SAM).

### UEI NUMBER

A UEI Number replaced the DUNS number. A UEI is required when submitting any application for Federal funds. If your organization does not already have a UEI Number, please visit: <https://sam.gov/content/duns-uei>. The process of obtaining a UEI Number is free of charge. If you had a current data universal numbering system (DUNS) number, you automatically are updated to a UEI number and no action is required. Most organizations already had a 9-digit DUNS Number. Larger organizations that have multiple departments might have used 4-digit extensions on the DUNS Numbers to distinguish between the various offices with the organization. For example, if a State DUNS Number was 123456789, the Housing, Health, and Transportation Departments should all have had different 4-digit extensions, especially since these departments might have different addresses and contact personnel. The 13-digit numbers would look like 123456789-1234.

### SYSTEM FOR AWARDS MANAGEMENT (SAM)

All Project Applicants must be registered with the System for Award Management (SAM). HUD will not issue a grant agreement for awarded funds to a project applicant until an active SAM registration is verified.

If you had an active record in the Central Contractor Registry (CCR), then you have an active record in SAM. You do not need to do anything in SAM at this time, unless a change in your business circumstances requires an update to your organization's record(s) in order for you to receive an award.

If you did not have an active record in the CCR or if your organization's record expired, you will need to register your organization in SAM. Please visit the System for Award Management website, [www.SAM.gov](http://www.SAM.gov) to register or update your organization. You will need to create a user account before registering or updating your organization. The SAM will ask you for the North American Industry Classification System or NAICS (pronounced "naykes") code that best describes your industry. Please enter NAICS code 624229, "Other Community Housing Services." The website has detailed instructions and user guides to assist in registering your organization.