



# 2022 CDBG GRANTEE HANDBOOK

Johnson County, Kansas



## Community Development Block Grant Program

Johnson County Community Development

<https://www.jocogov.org/departments/community-development>

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***“The mission of the Johnson County Community Development Office is to secure federal, state and local funding for community development activities, to provide leadership in coordinating these activities, and to ensure continued funding through the accountable, efficient and effective use of these funds in serving low to moderate income residents in Johnson County”***

## Items to Return to Community Development

### 1. Signed Original Subrecipient Agreement

You have been provided TWO original Subrecipient Agreements. These agreements have the required county signatures. Please return one original labeled “COUNTY COPY” signed by the mayor of the city, head of the county department or board chair.

### 2. Authorized Signature Form (CDBG-3)

### 3. Staff Breakdown by Form (CDBG-2)

A staff breakdown form must be completed by the city, county department, or agency that submitted the application.

### 4. Payment Information Forms provided by Community Development

### 5. Agreement with nonprofits (Olathe Only)

When Olathe is sponsoring a nonprofit in the application, the city is required to have an agreement with the nonprofit. Please return a copy of the signed agreement.

## 2022 CDBG Calendar

*Please Note: Announcements of Public Hearings and other events of importance to the Johnson County CDBG program will be published in The Olathe News and online at <https://www.jocogov.org/departments/community-development>. Subrecipients and others interested in the CDBG Program will receive prior notification of these events by mail or email.*

2022 DATE	EVENT
January 1	2022 Program Year Begins
January 5	Project Beneficiary Forms Due for all CDBG Projects not completed as of December 31, 2021
March 4	Public Hearings held for the 2021 CAPER and 2022 Needs Assessment
April	Fair Housing Month
April TBD	CDBG 2023 Application Workshop
April 10	First Quarter Beneficiary Reports Due
May 27	2023 CDBG Applications due by noon
July 10	Second Quarter Beneficiary Reports Due
July TBD	Application Presentations Before Rating Team
October 10	Third Quarter Beneficiary Reports Due
October TBD	Public Hearing on 2023 Action Plan
December 2	Request for Extension: Housing and Public Facilities request must be made if project will not be completed by December, 31
December 2	Last Day to Submit Request for Reimbursement for the 2022 program year



## Records to Maintain

1. Copy of 2022 CDBG Application and documentation that the project meets one of the CDBG National Objectives.
2. Copy of 2022 signed grant agreement. Return one signed copy to the Community Development Office. The Grant Agreement must be signed by the mayor, county department head, or board chair. Maintain all correspondence, requests for extension of the agreement (if applicable) and any addendums to the agreement (if applicable).

## Environmental Review Record

An environmental review record and determination is included with CDBG grant agreements. Grantees must maintain a copy of the environmental review record and determination and any permits or any licenses that were needed for the project.

## Citizen Participation

### **Required for CITY grantees ONLY!**

City grantees must retain copies of the public notice, proof of publication, minutes from the public hearing, citizen complaint process and any citizen complaints received.

## Fair Housing and Equal Opportunity

Grantees must provide Community Development a Staff Breakdown Form (CDBG-2) by sex, race, and handicap as required by HUD. Grantee must retain a copy of the Staff Breakdown Form, April Fair Housing Proclamation and documentation of other fair housing activities taking place throughout the grant year.

## County CDBG Policies

The following policies are established and implemented by the Housing and Community Development Advisory Committee and must be reviewed and followed by all CDBG grantees.

- 1. Funding Policies*
- 2. Pre-Award Cost Policy*
- 3. Engineering & Architectural Cost Policy*
- 4. Unliquidated Public Service Funds Policy*
- 5. Eligible Applicants*



## ***Funding Policies***

### ***Up to 10% in additional funding may be requested***

Subrecipients with projects which are or will be completed, as originally proposed, within the program year during which the project was funded, and which have an overrun in the project budget, as set forth in the application, will be eligible to apply for up to 10 percent in additional funding, when and if such funding is available from funds that have been deobligated from other projects. Written requests must be addressed to the Johnson County Community Development Coordinator, who will respond in writing within fourteen days of receiving the request. Awards will be made on a “first come first served” basis as approved by the Housing and Community Development Advisory Committee.

### ***Up to \$50,000 may be requested prior to next application cycle***

Up to \$50,000 in deobligated funds may be requested for an eligible project for which the funding is needed prior to the next formal application cycle if funds are available. Applications for such funding must be submitted to the Johnson County Community Development Coordinator on the standard Community Development Block Grant application form. The Advisory Committee will determine whether or not such projects will be recommended for funding.

### ***Pre-Award Cost Policy***

*Subrecipients of Johnson County CDBG funds may be reimbursed for pre-award costs under and subject to 24 CFR 570.200(h)(1).*

#### 24 CFR 570.200 General Policies

(h) Reimbursement for Pre-Award Costs. The effective date of the grant agreement is the program year start date or the date that the consolidated plan is received by HUD, whichever is later.

(1) Prior to the effective date of the grant agreement, a recipient may incur costs or may authorize a subrecipient to incur costs, and then after the effective date of the grant agreement pay for those costs using its CDBG funds, provided that:

- (i) The activity for which the costs are being incurred is included in a Consolidated Plan Action Plan or an amended Consolidated Plan Action Plan (or application under subpart M of this part) prior to the costs being incurred;
- (ii) Citizens are advised of the extent to which these pre-award costs will affect future grants;
- (iii) The costs and activities funded are in compliance with the required of this part and with the Environmental Review Procedures stated in 24 CFR part 58;
- (iv) The activity for which payment is being made complies with the statutory and regulatory provisions in effect at the time the costs are paid for with CDBG funds;

(v) CDBG payment will be made during a time no longer than the next two program years following the effective date of the grant agreement or amendment in which the activity is first included; and

(vi) The total amount of pre-award costs to be paid during any program year pursuant to this provision is no more than the greater of 25 percent of the amount of the grant made for that year or \$300,000.

#### *§ 2 CFR 200.458 Pre-award Costs*

*Pre-award costs are those incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency.*

#### **Engineering/Architectural Cost Policy**

Subrecipients of Johnson County Consortium CDBG funds may be reimbursed for engineering/architectural costs directly related to carrying out an eligible project included in the HUD approved Consolidated Plan/Action Plan.

#### *§ 2 CFR 200.459 Professional service costs*

*(a) Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the non-Federal entity, are allowable, subject to paragraphs (b) and (c) when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal government. In addition, legal and related services are limited under §200.435 Defense and prosecution of criminal and civic proceedings, claims, appeals and patent infringements.*

*(b) In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:*

- (1) The nature and scope of the service rendered in relation to the service required.*
- (2) The necessity of contracting for the service, considering the non-Federal entity's capability in the particular area.*
- (3) The past pattern of such costs, particularly in the years prior to Federal awards.*
- (4) The impact of Federal awards on the non-Federal entity's business (i.e., what new problems have arisen).*
- (5) Whether the proportion of Federal work to the non-Federal entity's total business is such as to influence the non-Federal entity in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal awards.*
- (6) Whether the service can be performed more economically by direct employment rather than contracting.*



*(7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities.*

*(8) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).*

*(c) In addition to the factors in paragraph (b) of this section, to be allowable, retainer fees must be supported by evidence of bona fide services available or rendered.*

### **Unliquidated Public Service Funds Policy**

Unliquidated Public Service Funds not drawn down by the date specified in the grant agreement of the program year in which the funds were awarded will be immediately deobligated. No exceptions.

### **Eligible Applicants Policy: Non-Profits**

Qualified nonprofits (having a 501(c)(3) determination from the IRS) and faith-based organizations are considered eligible applicants for CDBG funding and can apply directly to the county for CDBG funds subject to the current funding maximums.

#### **A. \$35,000 Limit**

Nonprofit/faith-based community applications of up to \$35,000 per year are allowed, provided that all county residents (except those in the cities of Olathe, Shawnee, Lenexa and Overland Park) are eligible to apply for the services of the proposed activity.

#### **B. \$15,000 Limit**

Nonprofit/faith-based community applications of up to \$15,000 per year are allowed, if the services of the proposed activity are limited to a city's residents, except those in the cities of Olathe, Shawnee, Lenexa and Overland Park.

## **Procurement**

Grantees must follow uniform grant guidance and Johnson County purchasing procedures and maintain records of the method of procurement and solicitation list.

### **Policy #: 180.120**

Administrative Purchasing Policy for Purchases Utilizing Federal Grant Funds

Purpose: To establish standards for the procurement of supplies and other expendable property, equipment, real property and other services purchased with federal funds.

Scope: This policy applies to all purchases for goods or services and all contracts or leases made using direct awards and pass-through awards of federal funds.

Policy: It is the policy of Johnson County Government that officers, employees, and agents of Johnson County shall comply with all applicable Federal laws in the procurement of any assets or services utilizing Federal funds, whether awarded directly or indirectly from a Federal entity. All officers, employees, and agents of Johnson County shall also comply with the specific requirement of any federal contract or federal grant award. Further, all officers, employees, and agents of Johnson County shall



comply with all requirements outlined under 2 CFR Part 200 when executing procurements using federal funds, including but not limited to the following:

- I. Johnson County Government shall comply with all general procurement requirements as outlined in 2 CRF 200.318.
  - a. Johnson County Government shall comply with all applicable state and local laws and regulations, provided that the procurements also conform to applicable Federal law and standards.
  - b. Johnson County Government shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
  - c. Officers, employees, and agents of Johnson County Government shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts. Johnson County employees that violate this policy will be subject to the disciplinary process outlined in Johnson County policy #410 and the associated procedures.
  - d. Johnson County Government shall avoid acquisition of unnecessary or duplicative items. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
  - e. Officers, employees, and agents of Johnson County Government are encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.
  - f. Johnson County Government shall use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
  - g. Johnson County Government shall use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
  - h. Johnson County Government shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resource.
  - i. Johnson County Government shall maintain records sufficient to detail the history of procurement. These records will include but are not limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price.



- j. Johnson County Government may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to a non-Federal entity is the sum of:
  - i. The actual cost of materials; and
  - ii. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.
- k. If a time and material contract is necessary, Johnson County shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- l. Johnson County Government shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes and claims.

II. Johnson County Government shall comply with all requirements as outlined in 2 CRF 200.321 regarding inclusive contracting practices with small and minority businesses, women's business enterprises, and labor surplus area firms.

- a. Johnson County Government shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are given opportunities to compete.
- b. Affirmative steps shall include:
  - i. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  - ii. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
  - iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
  - iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises;
  - v. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
  - vi. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

III. Officers, employees and agents of Johnson County Government shall comply with all requirements as outlined in 2 CRF 200.322 regarding the procurement of recovered materials.

- a. Johnson County Government and its contractors shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that improves energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

IV. Johnson County Government shall comply with all requirements as outlined in 2 CFR 200.320 regarding the allowable methods for procurement utilizing federal funds and shall also comply with County Purchasing Policy 110. The allowable purchasing methods and requirements include:

- a. Purchases up to \$3,000 (Micro-Purchases): Micro-Purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable. To the extent practicable, Johnson County shall distribute micro-purchases equitably among qualified suppliers. Procurements must also comply with all other requirements for competition under Johnson County Policy 110.
- b. Purchases above \$3,000 and below \$50,000 (Small Purchases): Price or rate quotations must be obtained from an adequate number of qualified sources. Procurements must also comply with all other requirements for competition under Johnson County Policy 110.
- c. Purchases of 50,000 or more must comply with all requirements for competition under Johnson County Policy 110 and should also include one of the following options:
  - i. Procurement by sealed bids with formal advertising is required. 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.
    1. Should sealed bids be used, they shall ensure an adequate number of suppliers and a detailed invitation for bid that includes the time and place for bid;
    2. A firm fixed price contract will be granted to the lowest responsive bidder;
    3. Any bid may be rejected if there is a sound documented reason.
  - ii. Procurement by competitive proposals may be used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
    1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

2. Proposals must be solicited from an adequate number of qualified sources;
  3. The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
  4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
  5. The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
- d. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
- i. The item is available only from a single source;
  - ii. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - iii. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
  - iv. After solicitation of a number of sources, competition is determined inadequate.

## Financial Management

Grantees must have an Authorized Signature Form (CDBG-3) on file with Community Development before reimbursement can be made. The Reimbursement Request for CDBG Funds Form (CDBG-4) must be signed by someone on the Authorized Signature Form. It is the responsibility of the grantee to update this information with the Community Development Office as needed. Grantees are required to follow the OMB Circular Regulations and to contact Community Development with any questions. The link to financial forms will be emailed directly to CDBG single grant contacts. Incomplete requests for payment will be returned to the grantee. Grantees should retain the following documents for their files: Requests for Reimbursement (with source documentation, income documentation, including copies of paid bills, checks for payment, invoices, etc.), financial statement and records showing total project costs, Single Audit (required if total of all federal expenditures in the grantee's fiscal year are over \$750,000) and the Authorized Signature Form.



## Income Eligibility

HUD generally updates income guidelines in February or March annually. Grantees must use the 2022 Income Qualification Form (CDBG-10) provided. The Income Qualification form is required if the project is providing a direct benefit to a person or household. In addition, Community Development has provided two tools to assist in calculating income. Grantees must use the income calculation worksheet provided unless the agency already uses a tool that documents how income calculations were determined. The second resource is a Part 5 Appendix from HUD detailing acceptable income documentation. HUD requires the grantee to document and maintain income documentation for each person or household served. You are REQUIRED to use the 2022 Income Qualification Form and the HUD CPD Income Calculator. The calculator can be found at: <https://www.hudexchange.info/incomecalculator/>

Please contact Community Development staff if you need assistance. The calculator will generate a form which must be included with the Johnson County Income Qualification Form and kept in the beneficiary files, in addition to being included in the reimbursement submission. You are required to attach all documentation that was used to verify the applicant's income. A new Income Verification Form is required in January of each new program year. Income documentation must be dated December 1, 2020 or later. No reimbursements will be made if income instructions are not followed.



## FY 2022 Income Limits

Effective June 15, 2022

Valid until HUD notifies of changes in 2023

Persons	30% Very Low Income	50% Low Income	80% Moderate Income
1	\$20,350	\$33,900	\$54,250
2	\$23,250	\$38,750	\$62,000
3	\$26,150	\$43,600	\$69,750
4	\$29,050	\$48,400	\$77,450
5	\$31,400	\$52,300	\$83,650
6	\$33,700	\$56,150	\$89,850
7	\$36,050	\$60,050	\$96,050
8	\$38,350	\$63,900	\$102,250



<https://www.huduser.gov/portal/datasets/cdbg-income-limits.html#2022>



## Required Reports

Quarterly Reports: Johnson County is required to report on each open activity on a quarterly basis. In order for Johnson County Development to comply with this requirement, you are required to submit a completed Project Beneficiary Information Form (CDBG-6, 7, 8 as applicable) for each open activity by the following dates:

**April 10, 2022**

**July 10, 2022**

**October 10, 2022**

**January 4, 2023**

No reimbursements will be made without the required project beneficiary information forms. Compliance with this reporting requirement will be a rating factor for future applications.

## Grant Close-Out

Closing an Activity: For activities closed during the program year, please submit a completed Project Beneficiary Information form together with your final reimbursement request. No reimbursement will be made without the completed form.

Grantee must close out the grant once all funds are expended according the grant close out checklist (CDBG-5) provided by Community Development.

## CDBG Forms Provided

The following forms included in this guide will also be emailed to the single grant contact provided to Community Development. Please delete any copies of previous year's forms and replace with ones provided for this grant cycle.

1. Single Grant Contact (CDBG-1)
2. Staff Breakdown (CDBG-2)
3. Authorized Signature (CDBG-3)
4. 2022 Reimbursement Request for CDBG Funds (CDBG-4)
5. Close-out Project Checklist Construction/Non-Construction (CDBG-5)

Project Beneficiary Forms

6. Public Services (CDBG-6)
7. Housing (CDBG-7)
8. Public Facilities (CDBG-8)

Public Service and Housing Projects

9. Income Qualification Form (CDBG-10)

Davis-Bacon Projects (See 2022 Davis-Bacon Handbook)