



**Community Development Block Grant (CDBG)  
Program**

**Information Package**

**Program Year 50 (2024-2025)**



**Town of Stratford**  
2725 Main Street  
Stratford, CT 06615

**Town of Stratford**  
**Community Development Block Grant Program**  
**PY 50 (2024-2025) Information Package**

**Overview**

The Town of Stratford (the “Town”) is an entitlement community under the Community Development Block Grant (CDBG) Program. The CDBG Program was created by the Housing and Community Development Act of 1974 (Public Law 93-383), as amended. The program has a primary objective to develop viable urban communities by providing decent housing and a suitable living environment, as well as expanding economic opportunities, principally for persons of low- and moderate-income (LMI). Consistent with this objective, the Town must ensure that 100 percent of its Community Development (CD) funds shall be used for activities meeting the criteria of benefiting LMI persons. Please visit [www.townofstratford.com/cdbg](http://www.townofstratford.com/cdbg) for the current income limits which the United States Department of Housing and Urban Development (HUD) uses to determine whether an applicant meets the LMI criteria.

**Funds Available**

As of the release of this information package (the “package”), the Town has not been informed of its entitlement allocation for the 2024 program year (PY 50)/federal fiscal year (FFY) 2024. Therefore, for planning purposes, the Town will anticipate an estimated amount of \$630,000, which is the FFY 2023 Allocation. This figure, which is for planning purposes only, presupposes two factors: first, it anticipates that CDBG formula grants will be level-funded by Congress in FFY 2024; second, it anticipates an increase in the number of entitlement communities across the nation. The actual amount of the allocation, however, may be more or less depending on the final funding allocation and CDBG formula determinations. In its 2024 Annual Action Plan for CD Program Year 50, the Town will provide a means to adjust funding levels to account for any changes in the final allocation amount if the Town does not receive formal notification from HUD of the Town’s Year 50 allocation prior to the conclusion of the local planning process.

**Eligible Projects and Activities**

Projects proposed for funding under the CDBG Program must meet one of three broad national objectives under the program: benefit to low- and moderate-income (LMI) persons or households; prevent or eliminate slums or blight; or meet an urgent need (24 CFR 570.208 – Criteria for National Objectives).

Attached, please the *Criteria for National Objectives and Eligible Activities* which provides a brief overview of the requirements and federally prescribed objectives and basic eligible activities found at sections 24 CFR 570.208 and 24 CFR 570.201, et seq., respectively. For a complete review of how compliance with these national objectives will be determined, please refer to the aforementioned CD regulations. Please note that the regulations further state that mere location of an activity in an LMI area does not mean that an activity automatically meets this benefit test. The

activity must be of such a nature or type to meet the community development needs of LMI persons (a defined “service area”).

### **Low/Moderate Income Benefit**

As a result of the *Cranston-Gonzalez National Affordable Housing Act of 1990*, each community participating in the CDBG Program must certify *that not less than 70 percent* of the CD funds they receive will be used for activities which benefit LMI persons. The Town of Stratford has estimated, based upon types of projects and activities which it has funded under its previous CD programs, and based on its expected funding this year, that approximately 100 percent of its CD Year 50 program will benefit LMI persons. This estimate may change as a result of the types of projects and activities approved by the Town for inclusion in its 2024 Annual Action Plan (AAP); however, in any event, it will not fall below the statutorily mandated threshold of 70 percent.

### **Displacement**

In prior years, certain CDBG activities have included the relocation of persons involuntarily displaced for permanent supportive housing. In the event that any new projects are proposed for funding which would result in displacement, the Town has an approved plan for minimizing the displacement of persons (*Town of Stratford Residential Antidisplacement and Relocation Assistance Plan, with revisions, as approved by Stratford Town Council, 6/12/2000*). This plan provides relocation assistance in accordance with the requirements of 50 CFR Part 24 which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655).

### **Eligible Areas**

According to the special tabulation of the 2020 Census Data and the FY 2023 Low/Moderate Income Summary Data (LMISD) based on the five-year American Community Survey Data (2011-2015 ACS), which HUD has released to the Town, there are ten (10) block groups within Stratford that qualify as low and moderate income (LMI) areas. A block group is a subdivision of a census tract. The qualifying block groups are:

Within Census Tract 801, Block Groups 3 and 4 Within Census Tract 802, Block Groups 1 and 3 Within Census Tract 804, Block Groups 1, 2, and 3 Within Census Tract 807, Block Groups 1 and 2 Within Census Tract 810, Block Group 3

It is within these areas that the Town will be able to undertake eligible area benefit activities (e.g. public facilities and site improvements) *provided* that it is of such a nature or type to meet the community development needs of LMI persons. In other words, mere location of an activity on an LMI area basis does not mean that the activity automatically meets the benefit test. For a more detailed and interactive map of Stratford’s census tracts and block groups, please visit [www.townofstratford.com/cdbg](http://www.townofstratford.com/cdbg).

### **Program Year**

The Town of Stratford's CD Program Year 50 (or 2024 AAP) begins on July 1, 2024, and ends on June 30, 2025; the fiscal year for the program coincides with the Town's fiscal year.

### **HUD Timeliness Standards and At-Risk Activities**

The U.S. Department of Housing and Urban Development (HUD), which administers the Community Development Block Grant (CDBG) Program, has implemented a policy to reduce future grants when an entitlement grantee fails to expend grants in a timely manner. A grantee is considered timely if 60 days prior to the end of the grantee's program year, in accordance with 24 CFR 570.902(a)(1)(i), the balance in its line-of-credit does not exceed 1.5 times the annual grant. Should the Town of Stratford fail to meet this standard by May 2024, HUD will cause the next grant to be reduced by 100% of the amount in excess of 1.5 times the annual grant.

In addition, as part of its Transformative Initiative, HUD has also implemented an At-Risk Activities module within its information system for grantees where it flags and seeks remediation plans for activities that:

1. Have no draws for a year;
2. Have not reported accomplishments for three years;
3. Have 80 percent of their funding amount disbursed and no accomplishments reported; or
4. Grantees have requested to cancel withdrawals.

Accordingly, the Town will pay particular attention to proposed projects and programs that, due to proposed length, completion timeframe, or other circumstances, may adversely impact timely expenditures of the Town's grant. Current subrecipients or subgrantees with flagged activities may have future funding requests curtailed or denied. **Furthermore, particular priority will be given to proposed projects that are likely to expend CDBG funds within the awarded program year.**

### **Faith-Based Organizations and Activities**

On September 30, 2003, HUD issued a new rule based on the principle that faith-based organizations should be treated on a level playing field with all other organizations when applying for Federal funding. With regard to the CDBG allocation process in Stratford, any interested faith-based organizations will be assessed based on the merits of their application to perform eligible activities, not on their religious or secular character. While HUD funds may not be used to support inherently religious activities such as worship, religious instruction, or proselytization, a faith-based organization may still engage in such activities so long as they are voluntary for program participants and occur separately in time or location from the activities directly funded under CDBG or another HUD program. Of all the changes rendered by the new rule, perhaps the one having the greatest impact will be regarding eligible activities involving real property. Faith-based organizations are no longer required to form a separate, secular organization to receive HUD funds for real property. HUD funds, however, may not be used to acquire or improve sanctuaries, chapels, and other rooms that a HUD-funded congregation uses as its principal place of worship.

## **Other Program Requirements for Construction Projects**

Please note that the Community Development Block Grant (CDBG) Program is subject to the enforcement of the labor standards provisions of the Davis-Bacon Act, the Copeland Act, and the Contract Work Hours and Safety Standards Act (DBRA). As such, all construction projects (excluding the rehabilitation of residential property if such property contains less than eight units) will be required to comply with these provisions which include the payment of the applicable federal wage with benefits; compliance with overtime compensation requirements, and contractor and subcontractor eligibility requirements. In addition, projects will also be subject to the bidding and procurement requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.\*

In some cases, where the bidding and procurement requirements of the Town, as set forth in the Town of Stratford's Administrative Policy Manual, are more stringent, these requirements will govern for the purchase of equipment and supplies, professional services, and construction contracts.

\*Please note that 24 CFR Parts 84 and 85, as well as eight OMB Circulars, have been replaced by 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

HUD has developed a performance measurement outcome system that will provide HUD and grantees, such as the Town of Stratford, a standardized methodology to demonstrate the outcomes of several formula grant programs, including CDBG. HUD developed this system to collect not only a set of data that clearly aligned program activities with results, but also minimized the reporting burden on grantees and their sub-recipients. Applicants for CDBG funding will be asked to identify in their application which of nine (9) outcomes their activities addresses.

In identifying the outcome statement that best applies to a proposed program or activity, applicants should ask themselves: *Why am I undertaking this activity?*

Applicants may feel that their activity meets more than one objective, but they are encouraged to select one outcome that best describes the result of the activity. Any applicant with questions as to what is the appropriate objective or outcome for their activity should call the Director of Community Development at (203) 381-2049 or send an email to [tpetrocelli@townofstratford.com](mailto:tpetrocelli@townofstratford.com).

## **Application Process: Funding Requests and Submission**

**Applications for the 2024 Annual Action Plan for Program Year 50 may be completed online at [www.townofstratford.com/cdbg](http://www.townofstratford.com/cdbg).** In addition to the application, applicants may find additional resources and information regarding the town's CDBG program and the application process. Applicants with questions or who do not have access to a computer/internet are encouraged to contact CDBG Administrator at (203) 381-2049 or send an email to [tpetrocelli@townofstratford.com](mailto:tpetrocelli@townofstratford.com). **The deadline to submit an application/funding request is 4:00 p.m. on Friday, February 9, 2024.**



## **Criteria for National Objectives and Eligible Activities**

All applications for CDBG funding must meet the requirements hereunder in both Section A (relating to national objectives) and Section B (relating to eligible activities). These are the Federal requirements prescribed by the Housing and Community Development Act of 1974, as amended, and by the implemented Federal regulations at 24 CFR Part 570 Subpart C, Eligible Activities. **Please be advised that this section is for guidance only, and, as such, is not intended to replace or act as a substitute for the Housing and Community Development Act of 1974 (Public Law 93-383), as amended, or related regulations and authorities.**

### **A. Threshold Criteria – National Objectives**

In order for a project to be funded with CDBG funds, it must meet one of the following three national objectives:

1. Benefit low and moderate income (LMI) persons as per the guidelines established by the U.S. Department of Housing and Urban Development.

Locally, the primary use of CDBG funds is for services and programs for LMI persons. In order to be eligible, the project must either serve persons residing in eligible geographic area or it must benefit LMI persons directly (through serving a targeted population). A direct benefit to LMI persons may come through services, through housing, or through jobs.

If your project falls in the direct benefit category, then at least 51% of the people served by your project/program must be low and moderate income residents.

**You must keep records (i.e., intake form, application, etc.) to verify the income by household size and the residence of all those served by your project/program.** Certain groups of people are presumed by HUD to be principally low/moderate income persons. Those groups include: abused children; elderly persons; battered spouses; homeless persons; adults meeting Bureau of Census' definition of severely disabled persons; illiterate adults; persons living with AIDS; and migrant farm workers. If your project/program exclusively serves one of these groups, you may document the limited nature of your clientele without documenting actual client income. You can use participation in other programs (i.e., JTPA, National School Lunch Program) as a "proxy" for CDBG income-eligibility if the income guidelines for that program are the same or less than CDBG guidelines.

"Moderate income" means a household whose income does not exceed 80% of the median family income for the area.

2. Aids in the prevention or elimination of slums and blight.
3. Meets other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community, and where other financial resources are not available to meet such needs.

If you are proposing a project under either the “elimination of slums and blight” or the “immediate threat to health and safety” objective, please contact the Grant Administrator prior to completing your application.

## **B. Eligible Activities**

This section describes many of the activities which can be assisted with CDBG funds under the federal regulations. There are a limited number of additional miscellaneous activities which may be eligible for funding. If you have a question about the eligibility of an activity for which you want to seek funding, please contact the Director of Community Development.

Eligible activities include:

1. Purchase, sale, lease, or other disposition of real property.
2. Clearance, demolition, and removal of buildings.
3. Rehabilitation of publicly or privately owned residential property; commercial/industrial property (but if privately-owned, only for exterior improvements and correction of code violations); and nonresidential buildings and improvements owned by a nonprofit. Funding cannot be used for costs of equipment, furnishings, or other personal property, or for the labor costs for homeowners to rehabilitate their own property. Funding can be used for:
  - a. Labor, materials, and other costs relating to rehabilitation.
  - b. Grants, loans, loan guarantees, and other forms of assistance for financing rehabilitation.
  - c. Loans for refinancing indebtedness.
  - d. Improvements to increase the energy efficiency of buildings and/or the efficient use of water.
  - e. Installing sprinkler systems, smoke detectors, dead bolt locks, and other security devices.
  - f. Connecting residential structures to water or sewer collection lines.
  - g. Initial homeowner warranty premiums and hazard or flood insurance.
  - h. Lead-based paint hazard evaluation and reduction.
  - i. Rehabilitation services (counseling, energy auditing, preparation of work specifications, loan processing, inspections, etc.)
  - j. Historic preservation.
  - k. Converting a closed building from one use to another.
  - l. Removal of architectural barriers to accommodate people with disabilities.



4. Relocation assistance to businesses, individuals, families, and non-profit organizations displaced by CDBG activities, and loss of rental income incurred in connection with the temporary relocation of displaced individuals and families.
5. Code enforcement.
6. Homeownership assistance.
7. Interim assistance either to alleviate an emergency condition or to cover limited, immediately needed improvements to a deteriorating area as a prelude to permanent improvements. These limited improvements can include special neighborhood cleanup campaigns.
8. Purchase, construction, reconstruction, rehabilitation, or installation of public facilities and improvements. Public facilities include schools, libraries, and special needs shelter facilities (nursing homes, hospitals, domestic violence shelters, homeless shelters, halfway houses, group homes, emergency shelters). Public improvements include streets, sidewalks, curbs, parks, playgrounds, water and sewer lines, parking lots, and aesthetic amenities on public property (trees, sculptures, etc.)
  - a. A “public facility” may be owned and operated by a non-profit (i.e., senior centers, neighborhood centers) as long as it is open to the general public.
  - b. Buildings used primarily for the general conduct of government are ineligible.
  - c. Flood and drainage facilities and parks established as a result of reclamation of land near a river are ineligible unless certain requirements are met.
  - d. CDBG funds cannot be used to operate or maintain public facilities/ improvements.
  - e. CDBG funds cannot be used to buy construction equipment, to buy furnishings, or other personal items, or for new construction of public housing.
9. Public services, including but not limited to child care, health care, job training, recreation programs, education programs, public safety services, services for seniors, services for the homeless, substance abuse treatment, fair housing counseling, and energy conservation.
  - a) Grants for public services may not exceed 15% of the Town’s total annual CDBG appropriation.
  - b) CDBG funds should not be substituted for municipal or state funds supporting public services. The service must be a new service or a “quantifiable increase in the level of service” above that provided by or on behalf of the town through town or state funds.
  - c) Ongoing grants or non-emergency payments to individuals for food, clothing, rent, utilities, or other income payments are not eligible activities.
10. Special economic development activities, including:

- a) Acquisition, construction, reconstruction, rehabilitation, or installation of commercial or industrial buildings, structures, and improvements.
  - b) Grants, loans, loan guarantees, interest supplements, and technical assistance to private for-profit businesses.
  - c) Economic development services including outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of necessary agreements; management of assisted activities; and screening, training, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities.
11. Microenterprise assistance in the form of loans, grants, technical assistance, and general business support services.
12. Grants or loans to any qualified Community-Based Development Organization to carry out a neighborhood revitalization, community economic development, or conservation project.

### **C. Ineligible Activities**

**The general rule is that any activity which is not specifically authorized above is ineligible for CDBG funding.** There are also some activities which are specifically identified in the federal regulations as categorically ineligible. These activities cannot be assisted with CDBG funds under any circumstances:

- 1. Buildings, or portions thereof, used predominantly for the general conduct of government, including city halls, jails, police stations, courthouses, and other state and local government buildings. (This does not include the removal of architectural barriers or land acquisition costs).
- 2. General government expenses.
- 3. Political activities.
- 4. The following activities are generally ineligible unless authorized as a Special Economic Development Activity or when carried out by a Community-Based Development Organization:
  - a) Purchase of equipment.
  - b) Repairing, operating, or maintaining public facilities (streets, parks, playgrounds, water and sewer facilities, parking, neighborhood centers, and similar public facilities).
  - c) New housing construction (with certain exceptions).
  - d) Income payments.

Applicants should be clear as to how they will provide completed architectural/engineering plans or specifications prior to May 15, 2024, at their own expense, and be “ready-to-go” when the Town receives funding.

**Please refer to the following sections of Subpart C, Eligible Activities, for additional information:**

- § 570.200 General Policies;
- § 570.201 Basic Eligible Activities;
- § 570.202 Eligible Rehabilitation and Preservation Activities;
- § 570.203 Special Economic Development Activities;
- § 570.204 Special Activities by Community Based Development Organizations (CBDOs);
- § 570.205 Eligible Planning, Urban Environmental Design and Policy-Planning-Management;
- § 570.206 Program Administrative Costs;
- § 570.207 Ineligible Activities;
- § 570.208 Criteria for National Objectives;
- § 570.209 Guidelines for Evaluating and Selecting Economic Development Projects; and
- § 570.210 Prohibition on Use of Assistance for Employment Relocation Activities.

## **Contact**

Tara Petrocelli  
CDBG Administrator  
Town of Stratford  
2725 Main Street  
Stratford, CT 06615  
Phone: (203) 381-2050  
Email: [tpetrocelli@townofstratford.com](mailto:tpetrocelli@townofstratford.com)

## CDBG APPLICATION CHECKLIST

**The following is a checklist\* for guidance on items that must be addressed/included with the Sub-recipient Application and Funding Request:**

Data	Description
Project Summary	<p>A brief description including:</p> <ul style="list-style-type: none"> <li>*Need or problem</li> <li>*Describe CDBG eligible populations or persons to be served</li> <li>*Description of project</li> <li>*Timetable (project completion and funding requests)</li> <li>*Compliance with a CDBG eligibility/National Objective</li> <li>*Proposed staffing and administrative capacity</li> <li>*A location map showing project/service site (see Exhibit 3)</li> <li>*Describe outcome measurement system to be used in detail</li> <li>*Explanation if plans/specs are required and how applicant will provide these to Town for review on or prior to 5/15/24</li> </ul>
Financial	<p>Describe:</p> <ul style="list-style-type: none"> <li>*Overall project budget</li> <li>*Detailed CDBG budget request with monthly estimated cash needs by major project component (beginning 7/1/24)</li> <li>*Explanation of existing fiscal management system (reporting, records, accounting principles)</li> <li>*Commitment of other sources of funding</li> </ul>
Agency/Organization Background	<p>Describe:</p> <ul style="list-style-type: none"> <li>*Years in operation</li> <li>*Purpose</li> <li>*Type of services provided</li> <li>*Number/characteristics of clients served</li> <li>*License to operate</li> <li>*Attach any brochures, pamphlets, agency description, etc.</li> </ul>
Personnel	<p>Describe:</p> <ul style="list-style-type: none"> <li>*Proposed CDBG funded staff position(s) with job description(s)</li> <li>*EEO policy/procedures (attach copy of current statements/plans)</li> </ul>
Audit Requirements	<p>Organizations receiving \$25,000 or more in total federal financial assistance in a fiscal year <b>must</b> provide a copy of their most recent audit; \$750,000 or non-profit <b>must</b> provide a single audit. Organizations requesting any funds less than \$25,000 must submit a certified balance sheet of financial resources.</p>
Insurance/Bond/Worker's Compensation	<p>Provide Certificate of Insurance for:</p> <ul style="list-style-type: none"> <li>* Officers and Directors (O&amp;D)</li> <li>* Liability insurance, payroll taxes, and worker's compensation</li> </ul>
Standard Organizational Documents for Submission	<ul style="list-style-type: none"> <li>* Articles of Incorporation/Bylaws</li> <li>* IRS Non-profit determination letter</li> <li>* List of Board of Directors</li> </ul>

	<ul style="list-style-type: none"> <li>* Organizational Chart</li> <li>* Financial statement, including copy of most recent audit</li> </ul>
Additional Information	Other pertinent information as requested in the application.

**\*Not all items may be applicable to your agency, organization, or department**