

Crumbling Foundation Frequently Asked Questions

- **Can we apply even if we have not exhausted current housing rehab funds (Program Income – PI funds)?**
 - Yes, you can apply to reprogram some or all of the program income from your homeowner rehab program to this public service activity. However, if you intend to apply for funds from the \$1.0 Million the Department has set-aside for crumbling foundation testing, then your housing rehab program must continue to be active. This means that you must have a list of homeowners waiting for these funds and have funded homes in the past few months. If your housing rehab program is stagnant or not operating and you intend to apply for funds from the \$1.0 Million the Department has set-aside for crumbling foundation testing, then you will have to draw down/expend these PI funds first.

- **Can we apply at any time?**
 - Yes, you can apply to reprogram the use of PI anytime. If you intend to apply for funds from the \$1.0 Million the Department has set-aside for crumbling foundation testing, then you must make your intention known before September 30, 2017, as the Department has only committed to hold these funds until that time. If not requested, those funds will be returned to the regular CDBG application pool and awarded to existing applicants.

- **For PI use do we have to have four qualified applicants before we can apply?**
 - No. You make request to reprogram your PI at any time. You do not need to have any specific applicants prior to making the request.

- **Are we limited in the amount of PI we can use?**
 - No, you can use all or a portion of your available PI funds. However, you should be aware that the State is subject to the 15% Public Service cap, and should the \$1 Million set-aside be used, communities may be impacted and there could be limitation on the amount that can be reprogrammed. Currently, the intent is to approve such requests on a first come first served basis.

- **Do we have to go out to bid for testing firms?**
 - You must meet the federal procurement requirements with regard to hiring of contractors. There are a limited number of qualified testing labs, but there are a large number of professionals that can perform the necessary core sampling. It is suggested that you visit the [Department of Consumer Protection](#) website for the most up to date guidance concerning crumbling foundations.

- **Can we leave that up to the homeowners**
 - We recommend that the grantee assist them with the federal procurement requirements including checking the debarment list, making sure that the contractors/consultants are qualified, etc. Would also recommend to visit [Department of Consumer Protection](#) website for guidance.

- **Are you going to send something out to all towns explaining this?**
 - The information provided with this response will be available on the Department’s website.

- **Section (1) below was due on April 13, 2017 and according to the 2017 SC CDBG Application Handbook the maximum award limits for Planning Only Grants was \$25,000. Therefore that application process is now closed, correct?**
 - Yes, the application process for the regular CDBG activities is closed. However, DOH has set aside \$1.0 million, until the end of the first quarter (September 30, 2017), for towns that are interested in seeking funds for crumbling foundation testing program.
 - This is not a “planning grant” and as such \$25,000 limitation does not apply; HUD has determined that a “testing only” program is a “public service” activity. As such, the public service cap of 15% statewide is applicable, but is not necessarily applicable at the grantee (i.e. municipal) level.

Benefit of using current PI received from housing rehab program:

- **Allows the participation in this program to start immediately instead of the waiting for the published public notice (15 day comment period), which is then followed by a Town Council Resolution. The Town is also required to submit a n Program Income Application to DOH for approval. Under the 2.3 Performance Measures section of the application, the Town must also document the number of eligible households with the income levels and racial classification.**
 - Again, HUD has made a decision that this is a “public service” activity.

- **The Public Service activity funding amounts are restrictive, only 15% of the current funds in the Program Income Housing Rehabilitation Account can be utilized, which in Tolland's case may be approximately \$21,000. Furthermore, it is not clear if Towns expended these funds quickly whether they would be able to start the process over again in the same calendar.**
 - No, the town can use all available funds. However, if all the communities in the region decide to reprogram their PI (if they have PI) we could approach 15% cap that DOH has to comply by. If this happens, there could be limitation on the \$ amount.

- **If Program Income Housing Rehabilitation funds were allowed to be used for testing, all participants would be required to meet the same LMI income guideline. The Public Service Activity states that only 51% percent must meet the LMI. This will be difficult to administer and confusing to residents. One or more households incomes may exceed the LMI limits while the rest of the applicants will be held to the LMI standard.**
 - These are the HUD requirements of “public service” activity.