Public Hearing & Technical Assistance Workshop for Program Year (PY) 2027

Crump Community Center

2:00 PM

Mayor Steven Reed

November 5, 2026

Welcome

Thank you for taking your time to be with us today. Please take note of the following:

- Set phones to vibrate, and please take calls outside of the room.
- Please feel free to ask questions during this presentation. To discuss lengthy questions, please see Housing staff after the Public Hearing.
- See the icon below? Take a picture of the slide! This is important information, or how to get more information.



Welcome

https://www.montgomeryal.gov/government/city-government/city-departments/economic-development/housing-development-division-1

Please visit our website for the following:

- CDBG and ESG Program applications
- HOME Program RFP
- Download the slideshow of this presentation
- Current information pertaining to Housing Development – Action Plans/CAPERs
- Public notices
- Fair Housing information

Housing Development Team

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Purpose of this Public Hearing

- Statutorily required.
- Grantees (City of Montgomery) must hold a minimum of **two (2)** public hearings during the program year:
  - **Consolidated & Action Plans**
  - **Year-End Accomplishments - Consolidated Annual Performance & Evaluation Report (CAPER)**
- Grantees are required to take comments during the advertised comment period and forward to local HUD Field Office.
- All public hearing and comment period announcements are advertised in the **Montgomery Advertiser** newspaper and posted on the **City's Department of Economic Development, Housing Development Division's webpage.**

Citizens Participation & Comments

- This public hearing is conducted to ensure citizen participation in the **Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME),** and **Emergency Solutions Grant (ESG)** funded programs.
- The purpose of this Hearing is to meet the requirements set forth in **Section 104 of the 1974 Housing and Community Development Act as amended,** and **24 CFR 91** to provide for citizen involvement in the planning and implementation of the City of Montgomery's Housing Development Programs.



Program Background Information

- The **Department of Economic Development** through the Housing Development Division coordinates the planning and administration of 3 Federal programs funded by the U.S. Department of Housing & Urban Development (HUD):
  - **Community Development Block Grant (CDBG)**
  - **HOME Investment Partnerships (HOME)**
  - **Emergency Solutions Grant (ESG)**
- As a HUD Participating Jurisdiction (PJ), our mission is to develop programmatic services and activities targeted at **"Low-to-Moderate Income" persons/families** residing within the city limits of Montgomery, Alabama as well as Low-Moderate Income Areas defined by Census data (primarily residential).
- We accomplish this mission by establishing partnerships with **local & area non-profits, for-profits, Community Housing Development Organizations (CHDOs), contractors, faith-based organizations, lenders, and other charity organizations.**

Expected HUD Allocation for PY 2027

PROGRAMS	PY 24	PY 25	PY 26	PY 27
CDBG	$1,757,565 +$88,521	$1,766,448 +$8,883	$1,727,001 -$39,447	Level Funding ($1,727,001)
HOME	$852,713.98 -$135,244.02	$871,494.88 +$18,780.90	$888,069.77 +$16,574.89	Level Funding ($888,069.77)
ESG	$146,691 +358	$154,468 +7,777	$155,252 +784	Level Funding ($155,252)

PY 2027 Action Plan

- The PY 2026 Action Plan will be submitted during the **2nd** year of the City's 5-Year Consolidated Plan (**PY 2025-2029**).
- When complete, the Plans will be available for review at **http://www.montgomeryal.gov** (Under Department of Economic Development - Housing Development Division Link).
- The Consolidated Plan serves as a **5-year strategic plan** for allocating HUD funds under the City's **CDBG**, **HOME**, and **ESG Programs**.
- The Consolidated Plan requires an **Annual Action Plan** with proposed activities to be submitted to HUD not later than 60 days after official Notice of allocations have been published.

“The greatness of a community is most accurately measured by the compassionate actions of its members.”

~Coretta Scott King~

Overview of CDBG

- Authorized under Title I of the Housing and Community Development Act of 1974 (HCDA)
- **3 National Objectives of the CDBG Program**
  1. Benefit Low-Moderate Income (LMI) individuals/families in the City of Montgomery
  2. Eliminate slum or blight
  3. Meet an urgent need (disaster or catastrophic situations)
- **Must have an overall benefit of 70% Low-to-Moderate Income (LMI) individuals/families in the City of Montgomery during each Program Year**
- **Eligible CDBG Activities:**
  - Acquisition and/or Disposition of Real Property
  - Public Facilities & Improvements
  - Clearance and Demolition
  - Public Services
  - Homeowner Assistance
  - Rehabilitation & Historic Preservation Activities
  - Special Economic Development Activities and Planning

Overview of HOME

- Established by the National Affordable Housing Act of 1990 (NAHA)
- Must benefit 100% Low Income households in the City of Montgomery
- **Intent of the HOME Program**
  - Increase the availability of safe, decent, and affordable housing to low- and very low-income households;
  - Expand the capacity of non-profit housing providers;
  - Strengthen the ability of State and local governments to provide housing; and
  - Leverage private sector participation and investment.

***Community Housing Development Organization (CHDO): Minimum of 15% of annual allocation HOME funds reserved for CHDO projects**

Overview of HOME

- **Some HOME-Eligible Housing Activities**
  - Owner-occupied homeowner rehabilitation;
  - Homebuyer activities for low-income buyers;
  - Rental housing (acquisition, rehabilitation, new construction of rental units); and
  - Tenant-based rental assistance (direct assistance to tenants for rent, security deposits, etc.).
- **HOME Program Activities in PY 2026 Action Plan:**
  - Rental housing (acquisition, rehab, new construction)
    - For-Profit OR Non-Profit
    - Multi-Family OR Single-Family Development

***Community Housing Development Organization (CHDO): Minimum of 15% of annual allocation HOME funds reserved for CHDO projects**

Overview of ESG

- Established by the Stewart B. McKinney Homeless Assistance Act of 1987, Title IV, Subtitle B, as amended (42 U.S.C. 11371 et seq.) Regulations: 2 CFR Part 200
- **Intent of the ESG Program**
  - Help operate emergency shelters and transitional facilities for homeless people;
  - Provide essential support services to residents; and
  - Help prevent at-risk families or individuals from becoming homeless.
- **5 Components of the ESG Program**
  1. Street Outreach: Homeless
  2. Emergency Shelter: Homeless
  3. Homeless Prevention: At-Risk of Being Homeless
  4. Rapid Re-Housing: Homeless
  5. Homeless Management Information System (HMIS): Data Collection

CDBG, HOME & ESG
Programmatic Fees/Limitations

- **CDBG**
  - Minimum grant request for Public Service Projects: $25,000 – PY 2027 CDBG
  - Maximum grant request for Public Service Projects: $75,000 – PY 2027 CDBG
  - Must collect income information or define street boundaries if serving a low-moderate income area (LMA)
  - Exception to collection of income – Presumed benefit category such as homeless persons, battered spouses, abused children, elderly persons, severely disabled adults as defined by HUD, illiterate adults, persons living with AIDS, or migrant farm workers
  - Grant Administration (salary, overhead, etc.): Not more than **20%** of total CDBG award unless directly activity-related
  - New construction of housing: Not more than 20% of total CDBG award
  - Consulting Fees: Not more than **5%** of total request
  - Developer's Fees: Not more than **10%** of total request (Construction Projects ONLY)
- **HOME**
  - Grants Administration (salary, overhead, etc.): Not more than **10%** of total request
  - Consulting Fees: Not more than **5%** of total request
  - Developer's Fees: Not more than **15%** of total request
- **ESG**
  - Grant Administration (salary, overhead, etc.): Not more than **5%** of total request

Zoning/Land Use

Ensure proper zoning for your project by calling Land Use Division at (334) 625-2722

Tentative Grant Cyle for PY 2027

Schedule Below is Subject to HUD's Notice of Award to the City of Montgomery	
November 5, 2026	Public Hearing & Grant Application Release (CDBG, ESG, HOME)
December 7, 2026	**Application Due Date (2:00 PM)**
December 2026	Completion of Application Reviews
February 2027	Submission of Projects & Funding Recommendations to Mayor's Office
March/April 2027	Completion of Draft Action Plan & Public Notice for 30-Day Comment Period of Action Plan
May 2027	Submission of Final Action Plan for Approval by Mayor & City Council by Resolution
TBD	Submit Action Plan to HUD Office for Review
TBD	Notification of Grant Awards & Decline Letters
TBD	New Subrecipient Workshop
MAY 1, 2027	NEW PROGRAM YEAR BEGINS

PY 2027 Application & Technical Assistance Workshop for CDBG, HOME & ESG Programs

- Applications and/or Competitive Proposals (HOME Program only) will be accepted for all programs

- Limited Technical Assistance
- **New Grantees:**
  - Demonstrated Capacity
  - Financial Capacity

- **Previous Grantees:**
  - Demonstrated Capacity
  - Past Performance
  - Grants Management
  - Goals/Objectives Obtainment
  - Program Effectiveness

2 CFR Part 200 Codification of the Uniform Administrative Requirement

- **A-21:** Cost Principles for Educational Institutions, **A-87:** Cost Principles for State, Local and Indian Tribal Governments, **A-89-** Catalog of Federal Domestic Assistance, **A-102:** Grants and Cooperative Agreements With State and Local Governments, **A-110:** Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations, **A-122:** Cost Principles for Non-Profit Organizations, **A-133:** Audits of States, Local Governments, and Non-Profit Organizations, and the guidance in OMB Circular **A-50:** Audit Follow-up, on Single Audit Act Follow-up have all been codified into **2 CFR Part 200 under Uniform Administrative Requirement.**

- **PJ's Responsibilities under 2 CFR Part 200**
  - Places more importance of effective Subrecipient management and oversight by grantees receiving funds from HUD
  - Places more responsibility to manage and monitor its Subrecipient to include performance and compliance with applicable laws and regulations
  - Forces Participating Jurisdiction to perform a stringent evaluation of the administrative & programmatic side of a potential grantee before grant funds are awarded

2 CFR Part 200 Administrative Evaluation - Internal Controls §200.303

- **The Non-Federal Entity Must Ensure:**
  - Effective internal control over the Federal award;
  - Compliance with Federal statutes, regulations, and terms and conditions of the Federal award;
  - An evaluation mechanism exists to ensure compliance with statute, regulations, and the terms and conditions of Federal awards; and,
  - Prompt action is taken when instances of non-compliance are identified including identified audit Findings – accompanied with a letter of corrective actions addressing Findings.

Basic Elements of Internal Controls
2 CFR Part 200 Application and/or On-Site Audits

- Written Organizational Policies & Procedures
- Organizational Charts - Lines of Authority
- Separation of Duties
- Hiring Policies
- Competent Staff – (Program & Financial)
- Maintenance & Security of Records
- Reconciliations & Recording of Cash (Bank Transactions)
- Financial Audits
- Articles of Incorporations
- Procurement Compliance
- Adopted By-Laws
- Active Board of Directors - Meetings and Minutes
- Board Authorizations
- Accounting Policies
- Insurance
- Organizational Bank Accounts
- Purchasing & Procurement Policies
- Signatory Authority
- Audits
- IRS Requirements
- Active Status - System Award Management (SAM) www.sam.gov

Programmatic Evaluation/Performance

New Grantees

- Administrative Requirements
- Competent & Qualified Personnel
- Satisfactory Audit Report
- Demonstrated Capacity
- Programmatic Experience
- At least One Year or More with Grant Management Experience Preferred
- Financial Capacity
- Most Recent Audit Report or Financial Statements

Past Grantees

- Administrative Requirements
- Competent & Qualified Personnel
- Satisfactory Audit Report
- Programmatic Experience
- Grant Management Experience
- Financial Capacity
- Past Performance
  - Meeting Goals & Objectives
  - Eligible Activities
  - Timely Invoicing
  - Timely Reporting
  - Growth & Development
  - Positive Monitoring Visit
  - Cooperation with CD Staff

Audit Report: Why is it Important?

- A non-profit's main focus is to carry out its mission to the best of its ability yet there's one thing that cannot be lost in the desire to do good:
  - **A fiduciary responsibility to its funding sources and the community to use those resources prudently**



Audit Report: Why is it Important?

- Why a non-profit might conduct an audit even when the law doesn't require it?
  - **Primary Reason: To demonstrate the charitable organization's commitment to financial transparency.**
  - **Potential donors may want assurance that the charitable non-profit's financial practices meet accepted standards.**



Audit Report: Why is it Important?

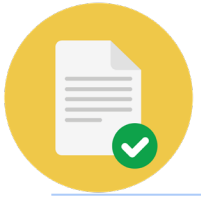
- Why a non-profit might conduct an audit even when the law doesn't require it?
  - **Many public and private foundations/funders (including governments) require charitable non-profits to submit audited financial statements or conduct an audit in order to be eligible for funding.**
  - **Conducting an independent audit is good practice especially for Board Members who want assurances that the organization is fiscally sound.**



Audit Report: Why is it Important?

- Why a non-profit might conduct an audit even when the law doesn't require it?
  - A non-profit can build its reputation for integrity, transparency, and professionalism by having a regular independent audit conducted and making it available to stakeholders and the public.





4 Basic Financial Statements in the Audit Report Needed By a Non-Profit Organization

- **Financial statements** are needed to provide a complete financial picture of the organization
- **Statement of Financial Position:** Also known as a balance sheet, this statement reports the organization's assets, liabilities, and net assets at a specific point in time (usually at the end of the organization's fiscal year).
- **Statement of Activities:** This statement reports the results of operations (revenues and expenses) and change in net assets for the year.
- **Statement of Cash Flows:** This statement provides information about the cash receipts and disbursements of the organization resulting from operating activities, financing activities, and investing activities.
- **Statement of Functional Expenses:** This statement provides information about the organization's expenses by function and by natural classification.
- NOTE: If you do not have an audit report, you must provide your latest financial statements and **must** be certified by your bookkeeper, accountant, etc.

Types of Organizational Financial Analysis Performed Using Audited & Financial Statements

Cursory Review of the Following:

- Date of the Audit/Financial Statements
- Opinions of the Auditors
- Completeness of the Audit Reports/Financial Statements
- Value of Assets (Current & Long-Term)
- Value of Property & Equipment
- Fixed Mortgages
- Total Value of Other Assets
- Concerns & Findings by Auditing Firms (If Applicable)
- Remedies to Concerns & Findings – Letter of Corrective Action (If Applicable)

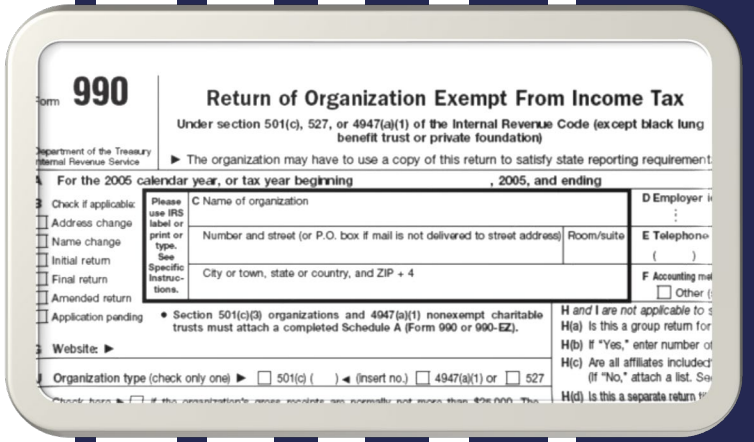
Types of Organizational Financial Analysis Performed Using Audited & Financial Statements

Financial Analysis Performed:

- Current Ratio (1.5 or Higher): Net Liquid Assets/Projected Liabilities
- Debt Ratio (.50 or Less): Debt Liabilities/Total Assets
- Comparison of Balance Sheets (2-Year Period): Assets & Liabilities
- Profit and Loss Analysis: Total Revenues/Total Expenses
- Revenue to Date Ratio (1.0 or Greater): Total Revenue of Current Year/Total Revenue of Previous Year
- Statement of Cash Flow Analysis: Net Decrease or Net Increase from Previous Year
- Analysis of Consolidated Statement of Functional Expenses: Examining percentage of Total Expenses dedicated to Programming, Administration, & Fundraising

Form 990 Analysis

1. Identity and Tax Status
2. Filer's Income Received and From What Sources
3. Filer's Total Expenses Breakdown Between Program Management and Fundraising Expenses
4. Net Assets
5. Kinds of Programs the Filer Administers and How Much Is Expended
6. Filer's Board Members and Salaries of Its Executive Staff
7. Initiation of New Activities by Filer
8. Engagement in All Transactions During the Year by the Filer
9. Is the Filer a Private Foundation?
10. Does the Filer Lobby?


Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

► The organization may have to use a copy of this return to satisfy state reporting requirements

For the 2005 calendar year, or tax year beginning , 2005, and ending

B Check if applicable:
Address change
Name change
Initial return
Final return
Amended return
Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

City or town, state or country, and ZIP + 4

D Employer i

E Telephone

F Accounting me
Other

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to s
H(a) Is this a group return for
H(b) If "Yes," enter number of
H(c) Are all affiliates included?
(If "No," attach a list. Se
H(d) Is this a separate return f

Website: ►

J Organization type (check only one) ► ☐ 501(c) ( ) ◄ (insert no.) ☐ 4947(a)(1) or ☐ 527

Required Documentation Analysis



- Non-Profit Designation from IRS
- Articles of Incorporation
- By-Laws
- Detailed Organizational Chart
- Job Descriptions/Resumes
- Current Board Members
- Minutes of Last 3 Board Meetings **(Signed by Exec. Director)**
- Resumes on Accounting Personnel
- Most Recent Audit with Management Letter
- Most Recent IRS Form 990
- 13-Page E-Verify MOU
- Signed Affidavit for Business Entity/Employer/Contractor
- **Current Agency's Exclusion Record for System Award Management (SAM) – MUST BE IN ACTIVE STATUS!**
- City of Montgomery Assurances
- Certification Regarding Disbarment & Suspension
- Current Insurance Certificate
- 3 Letters of Reference from **Persons Benefitting** from your Agency's Services
- ESG Written Standards Certification

- **Personnel Policy**
- **Non-Discrimination Policy**
- **Conflict of Interest Policy**
- **Confidentiality Policy**
- **Grievance Policy & Procedures**
- **Accounting Policy & Procedures**
- **Inventory Policy & Procedures**
- **Procurement Policy & Procedures**

- ***All policies should be separated, scanned individually, and labeled appropriately.**

Other Federal Requirements

Davis-Bacon Act

- CDBG: **Residential** – Property has 8 or more units
  Non-Residential - CDBG funds in project total $2,000 or more
  HOME: 12 or more **planned** units
- ESG: Does Not Apply

Section 3

- $300,000 or more in HUD assistance (CDBG/HOME/ESG)
- $150,000 (Lead Hazard Control and Healthy Homes assistance)

Build America, Buy America Act (BABAA)

- TOTAL Project Cost (all sources) - $250,000

PY 2025-2029 Consolidated Plan
Geographic Areas/Priority Needs

Category
✓ Affordable Housing
✓ Homeless
✓ Non-Housing Community Development

Geographic Areas Included
✓ Citywide
✓ Downtown Area & North Montgomery
✓ Westside of Montgomery
✓ Southside of Montgomery

Priority Needs Addressed
1. Infrastructure
2. Public Services
3. Housing
4. Homeless Services
5. Economic Development
6. Public Facilities

PY 2025-2029 Consolidated Plan Goals

#	Goal Outcome Indicator	5-Year Projection	Benefit Through April 30, 2026 (Year 2 of 5)	Unit of Measurement
1	Public facility or infrastructure activities other than Low/Moderate Income Housing Benefit	5,000	750	Persons Assisted
2	Public facility or infrastructure activities for Low/Moderate Income Housing Benefit	30	60	Households Assisted
3	Public service activities other than Low/Moderate Income Housing Benefit	5,000	4807	Persons Assisted
4	Rental units constructed	30	56	Housing Unit
6	Rental units rehabilitated	10	0	Housing Unit
7	Homeowner housing added	5	0	Housing Unit
8	Homeowner housing rehabilitated	25	9	Household Assisted
9	Tenant-based rental assistance / Rapid Rehousing	25	0	Households Assisted
10	Homeless person overnight shelter	3,500	833	Persons Assisted
11	Homelessness Prevention	5	0	Persons Assisted
11	Jobs created/retained	5	0	Jobs

CDBG, HOME & ESG Application Overview

Questions & Comments

Questions & comments specific to your organization can be emailed to **smartin-bowen@montgomeryal.gov**