

Small Cities Community Development Block Grant Program

2026 APPLICATION MEETING

➤ JANUARY 22ND, 2026

➤ VISIT THE SMALL CITIES WEBSITE:

➤ NJ.GOV/DCA/DHCR/OFFICES/CDBG.SHTML



NJ DCA Small Cities State Distribution of CDBG Funds

- THE STATE OF NEW JERSEY IS THE CDBG GRANTEE AND IS THE RESPONSIBLE ENTITY
- UNITS OF GENERAL LOCAL GOVERNMENTS (UGLG) ARE CDBG SUB-RECIPIENTS (GRANTEES TO NJDCA)
 - STATE CDBG PROGRAMS ARE PROHIBITED TO FUND ENTITLEMENT COMMUNITIES, NON-PROFIT/FOR PROFIT ORGANIZATIONS
 - MAXIMUM FEASIBLE DEFERENCE – STATE CDBG PROGRAM (24 CFR PART 570.480)
 - STATE ACTS AS HUD AND MONITORS SUB-RECIPIENTS FOR COMPLIANCE

NJ DCA Small Cities CDBG National Objective

► ALL PROJECTS MUST MEET AT LEAST ONE OF THE CDBG NATIONAL OBJECTIVES:

- UNDERTAKE COMMUNITY DEVELOPMENT ACTIVITIES THAT BENEFIT PERSONS OF LOW AND MODERATE INCOME (MINIMUM 70% OF FUNDS)
- TO PREVENT OR ELIMINATE SLUM AND BLIGHT
- MEET URGENT COMMUNITY DEVELOPMENT NEEDS FOR WHICH NO OTHER FUNDING IS AVAILABLE

NJ DCA Small Cities RFP Guidelines

Summary For State Fiscal Year 2026 (FFY 2025)	ALLOCATION
Total Allocation	\$6,878,551
State Administration	\$206,356
<i>Funds Available to Award</i>	\$6,672,195

NJ DCA Small Cities

DISTRIBUTION OF FUNDS

AMOUNTS FOR STATE FY 2026 (FFY 2025)

PROJECT TYPE	ALLOCATION
Public Facilities	\$4,772,195
Housing Rehabilitation / Emergency Housing Repair	\$1,500,000
Innovative Development	\$400,000
<i>Total Funds to Award</i>	<i>\$6,672,195</i>

NJ DCA Small Cities Public Facilities Fund

- PUBLIC FACILITIES FUNDS THE CONSTRUCTION OR RECONSTRUCTION OF ESSENTIAL PUBLIC INFRASTRUCTURE THAT PRIMARILY BENEFITS PEOPLE OF LOW AND MODERATE INCOME.
 - PUBLIC FACILITY FUNDS – ARE NOT ELIGIBLE FOR MAINTENANCE PROJECTS
 - QUALIFY PROJECT BY LOW/ MODERATE CENSUS DATA OR INCOME SURVEYS
 - ALSO, REMOVAL OF ARCHITECTURAL BARRIERS (FOR A.D.A. COMPLIANCE)
 - LIMITED CLIENTELE BENEFIT
- **MAXIMUM GRANT AWARD: \$400,000.**

NJ DCA Small Cities Housing Rehabilitation Fund

- ▶ SINGLE-FAMILY, OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM
- ▶ GRANTEE DEVELOPS HOUSING REHABILITATION MANUAL AND ESTABLISH A LOCAL REVOLVING LOAN FUND
- ▶ REALISTIC GOALS FOR HOUSING REHABS (# OF UNITS, # OF PERSONS)
 - ▶ **MAXIMUM GRANT AWARD:**
 - ▶ MUNICIPALITY: \$200,000.
 - ▶ MULTI-JURISDICTION \$300,000.
 - ▶ COUNTY: \$400,000.

NJ DCA Small Cities Emergency Housing Repair Fund

► ASSIST INCOME-ELIGIBLE OWNER-OCCUPIED HOUSEHOLDS
WITH "EMERGENCY REPAIRS."

- MUNICIPALITY OR COUNTY MUST APPLY ON BEHALF OF HOMEOWNER & CERTIFY THAT THE CONDITION IS AN EMERGENCY.
- ASSISTANCE PROVIDED ON A FIRST COME FIRST SERVE BASIS – PROVIDED FUNDS ARE AVAILABLE.

► **MAXIMUM GRANT AWARD: \$20,000**

NJ DCA Small Cities Innovative Development Fund

- ▶ PROVIDES FUNDS TO A NEW, INNOVATIVE, OR TIMELY COMMUNITY DEVELOPMENT PROJECT THAT FALLS OUTSIDE OF A TRADITIONAL FUNDING CATEGORY.
- FUNDS AWARDED TO A UGLG, THEN PASSED THROUGH TO A NON-GOVERNMENT ENTITY IN FORM OF A LOAN.
- PRIORITY GIVEN TO LOW/MODERATE INCOME ELIGIBLE PROJECTS, OR THOSE WHICH CREATE ALTERNATIVE ENERGY SOURCES.

▶ **MAXIMUM GRANT AWARD: \$400,000**

NJ DCA Small Cities Local Match Requirement

APPLICANT MUST COMMIT A PERCENTAGE OF THE GRANT REQUEST, BASED ON THE MUNICIPAL REVITALIZATION INDEX (MRI)

MRI RANK	MATCH REQUIREMENT
0 to 100	10%
101 to 200	15%
201 to 300	20%
301 to 400	30%
401 and above	50%

NJ DCA Small Cities Number of Applications

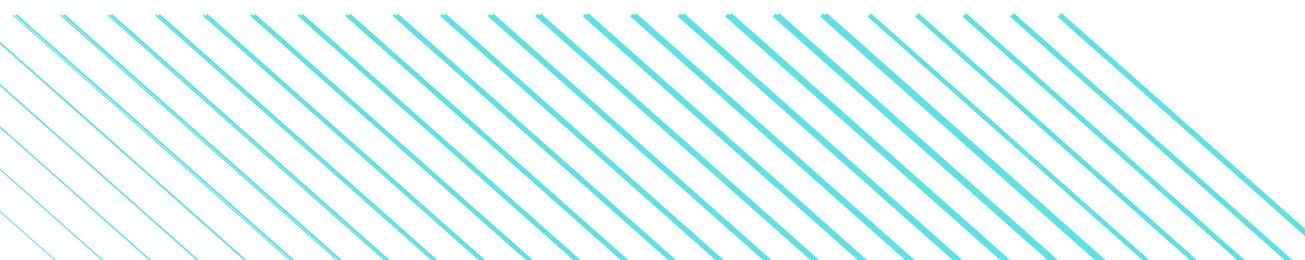
► **APPLICANTS MAY APPLY FOR THE FOLLOWING EACH YEAR:**

- **ONE (1) HOUSING REHABILITATION GRANT**
- **ONE (1) PUBLIC FACILITIES GRANT, OR ONE (1) INNOVATIVE DEVELOPMENT GRANT**
- **EACH GRANT APPLICATION CAN ONLY COVER ONE SPECIFIC PROJECT**
- ***NJDCA RETAINS DISCRETION TO AWARD ONLY ONE GRANT A YEAR PER JURISDICTION**



NJ DCA Small Cities

APPLICATION EVALUATION CRITERIA



NJ DCA Small Cities Application Reference Material

For further details regarding the information in the following slides, refer to:

- [Small Cities RFP Guidelines for SFY 2026 \(FFY 2025\)](#)
 - View/download from Small Cities webpage, also from SAGE Application Menu Page
 - Attachment A is the application review form (both Threshold and Evaluative Reviews)
 - Attachment B is the Eligible Municipalities and Counties list
- [SAGE Application Instructions](#) (view/download from SAGE Application Menu Page)

NJ DCA Small Cities Application Threshold Requirements

*Threshold Requirements **MUST** be Achieved*

- ✓ Application is CDBG Eligible & meets National Objective
- ✓ Low-Mod Income Benefit Targeting Requirements
- ✓ Address one of the State Objective
- ✓ Compliance with Citizen Participation
- ✓ Local Match Certification
- ✓ Housing Rehabilitation- Revolving Loan/Housing Manual
- ✓ 9 Federal and State Compliance Items

NJ DCA Small Cities Municipal Revitalization Index

MRI Rank	Score
0 to 100	20 points
101 to 200	15 points
201 to 300	10 points
301 to 400	5 points
401 and above	0 points

NJ DCA Small Cities Community Development & Housing Needs Statement

- THE APPLICANT MUST PROVIDE A COMMUNITY STATEMENT OF NEED.
 - Community development needs
 - Housing needs
 - Status of applicable land use plans
- PROPOSED PROGRAM MUST ADDRESS AT LEAST ONE (1) OF THE AREAS IDENTIFIED IN THE STATEMENT.

MAX SCORE = 20 POINTS

NJ DCA Small Cities Program Impact

- LOW/MOD INCOME PEOPLE BENEFITTING FROM PROPOSED PROJECT?
 - 100 OR MORE L/M PEOPLE= 20 POINTS
 - 30 TO 99 L/M PEOPLE= 10 POINTS
 - LESS THAN 29 L/M PEOPLE= 0 POINTS
 - HOUSING REHAB PROGRAMS= 20 POINTS

NJ DCA Small Cities Balance Ratio

- ▶ OPEN PROGRAM BALANCES of the past three funding years.
- ▶ Ratio score divides total balance by 3 (years)
- ▶ Balance ratio less than/equal to .50 = 10 points
- ▶ Balance ratio greater than .50 = 0 points
- ▶ NJDCA reserves the right NOT to fund an applicant should a substantial balance exist in prior grant awards at the time of application.

NJ DCA Small Cities Readiness to Proceed

How quickly can the project commence?

- ▶ Draft Environmental Review Record (ERR)
- ▶ Approved plans & project specifications
- ▶ Ready-to-go to bid?
- ▶ Housing Rehab- five (5) or more income eligible projects in queue

▶ Maximum Score = 5 Points

NJ DCA Small Cities Past Performance

GRANTEE PAST PERFORMANCE

- ▶ Grant management
- ▶ Deficiencies
- ▶ Audits
- ▶ Guidelines

▶ MAX SCORE = 10 POINTS

NJ DCA Small Cities Address Community Deficiencies

Does Application
adequately address
previously identified
community need or
deficiencies?



Does it make sense?



Maximum 5 points

NJ DCA Small Cities Audit Findings

Does the Applicant list past Audit Findings?

General Findings or related to Grant Programs?

Is the grantee considered HIGH RISK?

No Points awarded but may Disqualify Applicant!

NJ DCA Small Cities Grant Management

Has the Applicant identified a competent Grant Manager or Consulting Firm to manage potential grant?

What is the applicant's experience (past performance) with implementing Small Cities grants?

Maximum 5 Points

NJ DCA Small Cities Emergency Situation

Does Applicant indicate that project addresses an emergency that threatens the Health and Safety of the Community?

Must be Documented and Certified

Priority Consideration

Maximum 5 Points

NJ DCA Small Cities Exceptional Application

Application is Complete and Well Written

Viability of Project with defined Project Outcomes

Unique approach to Meet Community Need

Applicant's ability to complete Project within Grant Term

Substantial Local Matching Funds

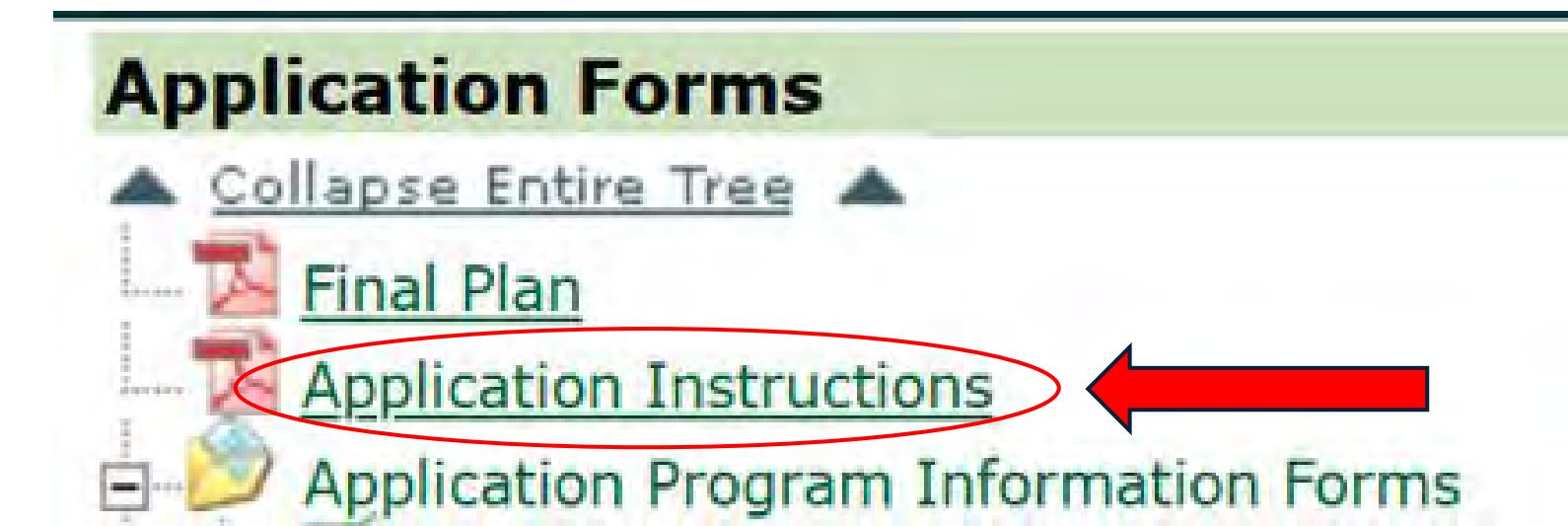
Maximum 5 Bonus Points may be awarded on Merits of Application and Applicant

NJ DCA Small Cities CDBG Application Schedule

RFP GUIDELINES/ ANNOUNCEMENT POSTED ON DCA WEBSITE	APPLICATION MEETING (VIA TEAMS)	SAGE APPLICATION DEADLINE	REVIEW TEAM RECOMMENDATIONS COMPLETED	COMMISSIONER'S ANNOUNCEMENT OF AWARDS
January 20, 2026	January 22, 2026	March 11, 2026	April 2026	Spring 2026

READ THE SAGE INSTRUCTIONS

Applicants, before applying, please read Instructions on SAGE on how to correctly apply.



NJ DCA Small Cities Application Submission

All applications must be submitted electronically, via SAGE by the SAGE Application Deadline.

- ❖ Initiation Deadline is 2 days prior to the Application Deadline
- ❖ Use “Check Errors” link on the SAGE Application Menu page
- ❖ Submitted applications will be considered “final product” and will be reviewed accordingly

NJ DCA Small Cities Application Submission

Submit **one** hard-copy binder with the attachments, certifications and supportive documents that accompany the SAGE application

- ❖ 8 ½ by 11 inches, 3-ring preferred
- ❖ Place dividers between all sections and major documents and label them to correspond with the table of contents.
- ❖ Due to DCA by the Application Deadline – overnight delivery, regular mail, in-person

Public Hearing

- All applicants must hold at least one public hearing prior to the submission of any application, **even if the application has been submitted before.**
- **The first public hearing must be held at least 20 days before the application is submitted to the Department.**
- Each hearing must be held at a time and in a location convenient for actual or potential beneficiaries and with accommodations for the handicapped. If the area includes a significant number of non-English speaking residents, the advertisement and conduct of the hearing must facilitate their participation.

NJ Chapter 159

- Refers to **N.J.S.A. 40A:4-87**, which allows local governments to amend their budgets to include additional funding after budget adoption.
- Used to accept and appropriate new grant awards **THAT ARE NOT PRESENT** at the time of the original budget adoption.
- Requires a resolution by the governing body to formally insert the new revenue and corresponding appropriation.
- Must be approved by the **Director of the Division of Local Government Services (DLGS)** before funds are recognized.

Federal Compliance

- ▶ Environmental Review Record (ERR)
- ▶ Labor Standards
- ▶ Citizen Participation Plan
- ▶ Fair Housing and Civil Rights
- ▶ Procurement and Professional Services Agreements
- ▶ Section 3 and MBE
- ▶ Active SAM Registration (Unique Entity Identifier)
- ▶ Build America, Buy America (BABA)

Environmental Review Records (ERR)

All CDBG-funded projects must comply with federal, state, and local environmental laws.

Core Steps of the Environmental Review Requirements (ERR) Process:

- ▶ Define the project and activities
- ▶ Determine the environmental review level (e.g. CEST, EA)
- ▶ Complete reviews for applicable laws and authorities (e.g. floodplain, historic preservation)
- ▶ If required, publish required public notices and submit Request for Release of Funds (RROF) to NJDCA
- ▶ Receive Approval to Use Grant Funds from NJDCA
- ▶ Maintain documentation

Labor Standards

- CDBG construction activities must comply with **Davis-Bacon and Related Acts**.
- Construction contract documents must include the correct **wage determinations** and **Federal Labor Standards Provisions**.
- Projects must follow **NJ prevailing wages and fringe benefits** in effect on the contract award date
- Federal wage rates apply as of **10 days prior to bid opening**, provided the contract is awarded within **90 days** of that bid opening.

Build America Buy America Act (BABA)

- ▶ On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law, investing \$1.2 trillion dollars into American infrastructure. The Act included a set of provisions, Build America Buy America (BABA), stipulating that construction materials used in infrastructure projects will be domestically sourced. BABA is being implemented on a phased schedule.

BABA Implementation

COVERED PRODUCTS	APPLICABILITY
Iron & Steel	State FY 2024 (Fed FY 2023) Public Facilities grants State FY 2025 (Fed FY 2024) Public Facilities grants State FY 2026 (Fed FY 2025) Public Facilities grants & onwards
Specifically Listed Construction Materials (non-ferrous metals; lumber; and plastic-and-polymer based composite building materials, pipe, and tube)	State FY 2025 (Fed FY 2024) Public Facilities grants State FY 2026 (Fed FY 2025) Public Facilities grants & onwards
Not Listed Construction Materials (all other plastic-and polymer-based products, glass, fiber optic cable, optical fiber, engineered wood, and drywall) Manufactured Materials	State FY 2026 (Fed FY 2025) Public Facilities grants & onwards

BABA Further Guidance

- Review [CPD Implementation Guidance for the Build America, Buy America Act's Buy America Preference](#) for HUD's full BABA requirements, and compliance framework.

NJ DCA Small Cities Ongoing Grant Management

- ▶ Monitoring forms
- ▶ Request for Release of Funds/ERR
- ▶ Bid package
- ▶ Final Performance Reports
- ▶ Photos
- ▶ Certification of Project Completion and any other relevant document that is pertinent to the grant

NJ DCA Small Cities Staff Contacts



- **Program E-mail Address:** SmallCities@dca.nj.gov
- **Program Webpage:** <https://www.nj.gov/dca/dhcr/offices/cdbg.shtml>
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