

NEBRASKA

**DEPARTMENT OF
ECONOMIC DEVELOPMENT**

Chapter 6: Planning (PP) 2016 Application Forms, Instructions, and Application Guidelines

State of Nebraska, Department of Economic Development

Housing and Community Development Division

Community Development Block Grant (CDBG)

Community Development Program

Effective for 2016 Program Year (July 1, 2016 through June 30, 2017)

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Section A. Overview

These application guidelines are for all Planning (PP) applications. Any eligible applicant must follow the instructions and information within this Chapter in order to apply for any Planning resources.

The purpose of the Planning Category is to provide communities the opportunity to solve problems and meet citizen needs through a community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or carries out processes that lead to successful projects.

FOR MORE INFORMATION

For further information please contact the following Primary Contact for this program. See also Chapter 1 for more information.

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A. Eligible Applicants

Except as provided in Section 1.03 of the Application Guidelines, Eligible Applicants include every Nebraska incorporated municipality (that is not a CDBG Entitlement Community) or a Nebraska county. See the “Threshold Requirements” for specific thresholds that are also considered in determining eligibility.

B. Eligible Activities

The following activities are eligible within the PP Program and generally include: studies, analysis, data gathering, identification of implementation actions, and preparation of plans. If any activity is not noted within the list below, please consult a CDBG Program Representative in order to determine if any other proposed activities are eligible for the program.

- Community strategic planning; such as: environmental scan, needs assessment, citizen participation, downtown revitalization, and fiscal management.
- Analysis of impediments (AI) and barriers to fair housing choice.
- Neighborhood/comprehensive/strategic development plans.
- Functional or special studies for: housing, infrastructure, community economic development, land use/regulatory measures, business park site/location/use feasibility study, main street improvement district, downtown revitalization, energy conservation and transportation.
- Environmental, heritage tourism, and historic preservation studies.

Review and scoring of project applications will be prioritized and preference given to those projects that utilize and incorporate a comprehensive strategic approach that utilizes community needs assessments, participation, and planning efforts. This comprehensive approach should include: significant needs identification; an adopted or updated Comprehensive Plan; a housing study; and a capital improvement plan. Projects that meet these requirements will be considered “Top Tier” projects.

Additional preference will be given to those projects that will lead to a significant impact upon the community and is likely to have a sustained impact. These projects will address the long-term comprehensive vision for the community and not just focus on a single problem that might be addressed for the short term.

Those project applications that are not classified as a “Top Tier” project will also be reviewed within the application cycles, but will not receive priority and preference.

For more information see Section 3.01 of the Application Guidelines.

C. Ineligible Activities

The following activities are ineligible within the Planning Program. If any activity is not noted within the list below, and is not listed as an eligible activity, please consult a CDBG Program Representative in order to determine if any other proposed activities are eligible for the program.

- engineering, architectural, and design work related to a specific activity;
- implementation of the plan;
- operating costs for an organization;
- the preparation of a CDBG application;
- Pre-engineering studies for publicly owned water/wastewater projects prepared for communities that are involved in the WWAC process. PERs prepared for WWAC should utilize other non-CDBG resources.
- Buildings, or portions thereof, used predominantly for the general conduct of government cannot be assisted with CDBG funds.
- General government expenses cannot be paid with CDBG funds, except for documented local government administration of the CDBG project.
- CDBG funds cannot be used to pay for facilities or equipment used for political purposes or to engage in other political activities.

Overall, the general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible.

For more information see Section 3.02 of the Application Guidelines.

D. Grant Amounts & Matching Funds

Grant Amount: The maximum grant amount for a community or unincorporated county will be \$30,000. The maximum grant amount for multi-community, countywide, or regional planning projects will be \$50,000. Any applications seeking joint/multi-community may be subject to additional requirements. Applicants for such projects should contact the program representative for technical assistance. PP applications that are funded will receive Community Development Block Grant (CDBG) funds.

Community or Unincorporated County	\$30,000
Multi-community, Countywide, or Regional	\$50,000

Match Requirements: Planning activities require a minimum of 25% match. No more than half (12.5%) of the total project match may be in-kind source or service contributions. At least half (a minimum of 12.5%) of the total project match must include non-CDBG cash contributions, of the total project costs. General Administration activities may not exceed 10% of the amount of CDBG funds awarded, or \$3,000, whichever is greater. General Administration activities do not require any matching funds.

No more than 60% of CDBG funds allocated in this program category will be awarded during the first Application Cycle, with preference given to “Top Tier” projects as defined above.

For more information see Section 4.01 of the Application Guidelines.

E. Application Due Dates

Applications are prepared at the applicants' expense and costs are not reimbursable. DED will award grants under the PP Category to eligible local governments to carry out local and regional planning activities (strategic or special projects) meeting the national and state CDBG objectives. Planning Category funds shall be reserved and awarded in accordance with the application cycles.

Planning applications for the 1st Cycle of the 2016 Program Year will be accepted by the Department beginning March 15, 2016 through April 1, 2016. At the conclusion of the 1st Cycle, planning applications for the 2nd Cycle will be accepted within an open cycle through April 1, 2017. To be considered for award, applications must be received by the Department on or prior to the deadline listed below.

Cycle	Open Dates	Anticipated Award
1 st	March 15 - April 1, 2016	July 2016
2 nd	Open Cycle through April 1, 2017	Ongoing

The second cycle is an open cycle and applications will be accepted once the first cycle applications have been awarded, and will continue until April 1, 2017, prior to the beginning of the first application cycle of the 2016 Program Year, or until CDBG PP Category funds are depleted, whichever comes first. No more than 60% of the 2016 allocation will be awarded within the first application cycle. If funds remain available from a previous CDBG allocation these funds may be used within the new Program Year funding. However, once the first cycle of the following year begins, applicants shall use the most current year's application and shall be subject to the current year's application guidelines. Applicants submitting on previous program year forms will be required to resubmit on the proper and current forms before the application will be considered for funding.

Applications within the second cycle will be reviewed by DED. The frequency of application review will depend on the number of applications received at any given period. The Department may review applications more frequently depending on whether an application has been re-submitted with revisions, and generally within 60 days of application receipt.

When there are more applicants requesting funds than there are funds available, applications will be reviewed by DED on a competitive basis according to the selection criteria established in *Section 5.03* of the *Application Guidelines*. Other state or federal agencies may be requested to review and comment on applications, as appropriate. It is anticipated that the Governor of Nebraska will announce grant awards for the first Planning cycle in July 2016 following receipt of the 2016/17 HUD agreement, and 2nd Cycle announcements will be on an ongoing basis with review and awards continuing until CDBG Planning Category funds are depleted. Within 30 days of the awards, grantees will be contacted to review regulations, and to report requirements and payment procedures. *Project completion must be dated by the grantees within 24 months following award.* Below is a summary of the milestones that would be completed during a Planning project.

Milestone Summary	Dates
Planning Applications Submitted to DED 1 st Cycle	March 15-April 1, 2015
Anticipated Award Date of 1 st Cycle Applicants	July 2016
Planning Applications Submitted to DED 2 nd Cycle	Open after 1 st Cycle awards
Anticipated Award Date of 2 nd Cycle Applicants	Ongoing

For more information see *Section 5.01* of the *Application Guidelines*.

F. Threshold Review Criteria

Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning Category. The local government applicant completing a multi-jurisdictional application must also be a direct participant in the study/project.

The local government applicant cannot serve only as a pass through for CDBG funds or only as the general administrator of the study/project. All municipalities must be involved with the same project, which addresses a common issue. The product can, however, be packaged to meet individual municipal or county needs. There must be a product for the regional study and each municipality or county may have its own product that addresses local recommendations, strategies, or needs as an example.

Projects are to be completed within twenty-four (24) months following award.

The following threshold requirements must be met by the local government applicant in order to be eligible for Program resources. These requirements include:

- Activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities. See the CDBG National Objective Section for more information.
- Applicant has no significant, unresolved audit finding;
- Applicant has no legal actions under way that may significantly impact its capacity;
- Applicant is following a detailed Citizen Participation Plan (CPP) and Anti- Displacement Plan;
- Applicant has adopted an authorizing participation resolution;
- Applicant must have addressed and cleared all compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) Found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- Applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and
- Applicant has shown progress (including expenditures through drawdowns) on prior CDBG grants. In general, DED will review projects that have been funded at least two years prior to the current program year.

Additional threshold requirements that are specific to the Planning Program category include:

- Applicant for a multi-jurisdictional application is a direct participant in the study/project, and cannot serve only as a pass through for CDBG funds or only as the general administrator;
- Multi-jurisdictional applicants are involved with the same project which addresses a common need. The regional study has a product, each municipality or county may have its own product that addresses local recommendations, strategies, or needs as an example;
- Applicant meets the minimum selection criteria score as noted above.

For more information see *Section 5.02* of the Application Guidelines.

CDBG National Objective

All Planning projects funded, and CDBG-funded project activities, must meet one of two National Objectives of the CDBG Program. These include:

- Benefiting low-to-moderate income persons (LMI); (including on an area basis or serving a limited clientele); or
- Aiding in the prevention or elimination of slums or blight (SBA) (including both area-wide and on a spot basis).

For more information see *Section 2.01* of the Application Guidelines.

A project or project activity that fails to meet one of these specified national objectives is ineligible for CDBG resources.

G. Post Award Requirements

Each eligible application must also comply with any necessary post award requirements. These requirements may include: Davis-Bacon compliance; required Audit information, etc.

For more information see Section 5.06 of the Application Guidelines.

H. Application Point System and Scoring

Each Chapter of the CD Application Guidelines contains specific information regarding the scoring criteria for each Program. A summary of the scoring criteria is noted within each Program’s Selection Criteria Matrix. Within Section B. – Application Forms and Instructions, the “Part IV Project Description” provides details on scoring and the points assigned to all scoring criteria.

Below is the Scoring Criteria Matrix for the Planning Program. The Matrix describes each selection criteria as a numerical score within the Planning Program. The maximum number of points available within any application is 1,000 points. A minimum score of 400 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need	Project Impact	Project Readiness (Local Effort)	Match	LMI Benefit	MEF	Bonus Points	TOTAL
250	250	250	50	50	100	50	1,000 points
150 min	125 min	125 min	0	0	0	NA	400 minimum

For more information see Section B. Application Forms and Instructions and Section C. Application Guidelines.

Section B. Application Forms & Instructions

This section contains all forms and exhibit information to be submitted so that your application can be scored and ranked effectively. Application narratives should be thorough and concise. The Department reserves the right to verify all information, and to consult with other agencies on the proposed project. The Department may non-select any application that does not contain all of the required items and these items cannot be verified.

There are more applicants requesting funds than there are funds available. Applicants must carefully read and review the ***Application Guidelines*** and the selection criteria described to develop a competitive application.

In submitting your application, these instructions must be followed:

- Submit **ORIGINAL, TWO** (2) complete copies, and a PDF copy of the application.
- Do not fold, staple, or bind in any way.
- No less than 2" top margin and 1" side and bottom margins.
- Table of Contents **must** be included
- All pages **must** be numbered in sequence at the bottom of the page.
- All Exhibits **must** be labeled at the bottom of the page, right-hand corner.
- All Attachments **must** be labeled at the bottom of the page, right-hand corner.

Failure to follow these instructions will result in your application being returned for you to correct and resubmit. All applicants will be given one week to correct and resubmit their application.

PAGES MUST BE TWO-HOLE PUNCHED AT TOP. DO NOT BIND, FOLD OR STAPLE.

Below is an outline of what a Planning (PP) Application should look like:

- Cover Sheet
- Table of Contents (use Table of Contents Checklist)
- Part I. General Information (use required form)
- One Page Project Summary (follow instructions)
- Part II. Funding Summary (use required form)
- Part III. Project Budget
- Part IV. Project Description & Scoring Criteria
- Part V. Required Exhibits and Attachments (See Chapter 9 for all Exhibits)
- Part VI. Additional Attachments (supplemental info provided by applicant)

TABLE OF CONTENTS & CHECKLIST

Each applicant must attach a Table of Contents to their application and must include a Table of Contents Checklist for the Program they are applying for with their application.

The following page provides the format for the Table of Contents Checklist for Planning applications.

TABLE OF CONTENTS CHECKLIST PLANNING

Applicants must complete and submit this checklist with the application. Type in additional appendix items as deemed necessary to your project. List appropriate page numbers under PAGE NUMBER column. ***Please note: table of contents continues on following page***

Please use the language verbatim in each exhibit. Incorrect language may cause a delay in application review and award, if successful. Also, provide the bracketed information as requested in each exhibit. The omission or incomplete description as requested in bracketed text may cause a delay in application review and awards.

<u>PROJECT INFORMATION</u>	<u>PAGE NUMBER</u>
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Part I General Information

Part II Funding Summary

Part III Project Budget

Part IV Project Description & Scoring Criteria

- Item 1 – Project Need.....
- Item 2 – Project Impact
- Item 3 – Project Readiness (Local Effort)
- Item 4 – Match
- Item 5 – National Objective Impact (LMI Benefit).....
- Item 6 – Municipal Equalization Fund (MEF) Score.....
- Item 7 – Bonus Points (Sustainability).....

Part V - **REQUIRED EXHIBITS (See Chapter 8 for all Exhibits)**

A. Notice of Public Hearing.....

B. Authorizing Resolution Endorsing Project

C-1. Statement of Assurances and Certifications

C-2. Citizen Participation Plan

D. Residential Anti-displacement & Relocation Assistance Plan.....

E-1. LMI Documentation/Low- and Moderate-Income Worksheet (*Only for LMI Area Benefit*).....

E-2. LMI Random Sample Worksheet (*Only for LMI Area Benefit*).....

E-3. LMC Worksheet (*Only for Limited Clientele*).....

F-1. Slum and Blight Area Basis Documentation (*Only for SBA Area Basis*).....

F-2. Slum and Blight Spot Basis Documentation (*Only for SBA Spot Basis*)

- K-1. Waiver of Procurement Process (narrative)*
- K-2. Procurement Process Completed Prior to Application (narrative)**
- L. Federal Funding Accountability and Transparency Act (FFATA) form
- M. Map of Proposed Project Area.....
- N. System for Award Management (SAM) record and clearance documentation.....
- O-1. Four Factor Analysis Assessing Limited English Proficiency.....
- O-2. Language Assistance Plan (optional at the time of application)***

*Only required when Applicant will act in its official capacity or has retained the services of a professional and can provide documentation to the appointed person(s) or firm(s) for three consecutive years, including the program year for which they are seeking funds.

**Only required when the procurement process has been completed prior to the application, all procurement procedures must follow state and federal requirements when CDBG funds are used.

***Language Access Plan is only required if found to be necessary through completion of the Four Factor Analysis Assessing Limited English Proficiency.

Part VI **ADDITIONAL ATTACHMENTS (provided by applicant where available)**

- Attachment 1 (title).....
- Attachment 2 (title).....
- Attachment 3 (title).....
- Attachment 4 (title).....

PART I. GENERAL INFORMATION

Type or clearly print all information except where signatures are required.

- 1. Applicant Identification:** Enter the name, mailing address, telephone and fax number of the local government that is the applicant in an individual application or the lead applicant in a joint application. Enter the name of the local government contact person. Such person is the **applicant's employee who is most familiar with the application**, and not a circuit rider, regional council or community action agency staff person, consultant or other applicant non-employee. Include the Federal Tax Identification number and DUNS number of the Applicant. The DUNS number can be obtained via D&B online at <http://fedgov.dnb.com/webform> or requested by phone at 866-705-5711 or for persons with a hearing impairment, the TTY number is 866-814-7818. Enter the e-mail address for the local unit of government or local contact.
- 2. Person Preparing Application:** Enter the name, mailing address and telephone number of the person who prepared the application. If prepared by a firm, identify the staff contact person. Include the Federal Tax Identification number of the firm, development district, or nonprofit. If the application preparer is not affiliated with one of the above organizations, include preparer's social security number. Provide preparer's e-mail address. Check the appropriate application preparer status box. For more information regarding use of consultants, see Section 5.05 of the Application Guidelines.
- 3. Activity Type:** Check the Planning box under which funds are being requested.
- 4. Funding Sources:** Enter the dollar amounts of CDBG funds requested for this project. Enter the amount of all other funds identified in the application **that you are committing** to this project. **ROUND AMOUNTS TO THE NEAREST DOLLAR.** ("Matching Funds" are those project funds required in *Section 4.02*. Be certain that the figures are correctly added and are the same as provided on the "Total" line for each funding source in *Part II*.)
- 5. Application Type:** Check the appropriate application type box under which funds are being requested. *Applications seeking joint/multi-community funding may be subject to additional requirements; applicants for such projects should contact the program representative for technical assistance.*
- 6. Service Area:** Provide information on the project area to be served including the City, County, Legislative District and Congressional District in which the project will be located.
- 7. Project Name and Location:** Provide the name of project and the primary location of the project.
- 8. Project Summary:** Provide a short, explicit description of the project activities in measurable terms for which funds are requested. Include a list of other applicants if a joint application is being submitted. For a joint application, attach a copy of the written agreement as stipulated in *Section 1.03(3)*. *There is no need to include funding information. IN ADDITION, ATTACH A ONE PAGE PROJECT SUMMARY FOLLOWING PART. 1 APPLICATION.*
- 9. Certifying Official:** **Only the signature of the applicant's chief elected official will be accepted.** Blue ink for signature is advisable. Alternate signatures (e.g. city council president, city manager) are not allowed, except where there exist extenuating circumstances (e.g. chief elected official is out for an extended period), and the applicant receives prior written approval from DED. Type the name and title of both signers and the date of their signatures.

PLANNING (PP) APPLICATION

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Nebraska Department of Economic Development (DED)

PART I. GENERAL INFORMATION

2016

DED USE ONLY

Application Number
16-PP-

Date Received

TYPE OR PRINT ALL INFORMATION

1. APPLICANT IDENTIFICATION

Applicant Name _____

Mailing Address _____

City, State, Zip _____

Local Government _____

Contact _____

Telephone _____

Fax Number _____

Federal ID # _____

DUNS# _____

Email _____

2. PERSON PREPARING APPLICATION

Name _____

Address _____

City, State, Zip _____

Telephone # _____

Federal ID _____

Email Address _____

Application Preparer (Check one)

Local Staff Out-of-State Consultant

In-State Consultant Non-Profit

Economic Development District

3. ACTIVITY TYPE

Planning

5. APPLICATION TYPE

Individual Joint/Multi-community

6. SERVICE AREA

4. FUNDING SOURCES

CDBG Funds Requested \$ _____

Other Funds \$ _____

Total Project Funds \$ _____

(Round amounts to the nearest dollar.)

7. PROJECT NAME & LOCATION

8. PROJECT SUMMARY: Brief quantitative description of the project for which CDBG funds are requested.

ALSO: Attach a 1 page project summary following this page.

9. CERTIFYING OFFICIAL: Chief elected officer of local government requesting CDBG funds

To the best of my knowledge and belief, data and information in this application are true and correct, including any commitment of local or other resources. This application has been duly authorized by the governing body of the applicant following an official public hearing. This applicant will comply with all federal and state requirements governing the use of CDBG funds.

Signature in Blue Ink

Typed Name and Title

Date Signed

Attest

Typed Name and Title

Date Signed

PAGES MUST BE TWO HOLE PUNCHED AT TOP. DO NOT BIND, FOLD OR STAPLE.

Individuals who are hearing and/or speech impaired and have a TTY, may contact the Department through the Statewide Relay System by calling (711) INSTATE (800) 833-7352 (TTY) or (800) 833-0920 (voice). The relay operator should be asked to call DED at (800) 426-6505 or (402) 471-3111. Additional information is at the Nebraska Relay website <http://www.nebraskarelay.com/>. Nebraska Relay offers Spanish relay service for our Spanish-speaking customers. Spanish-to-Spanish (711) or 1-888-272-5528/ Spanish-to-English (711) or 1-877-564-3503. Nebraska le ofrece el servicio de relevo a nuestros clientes en español. Los consumidores de TTY pueden escribir por máquina en español y las conversaciones serán retransmitidas en español y inglés.

PART II. FUNDING SUMMARY Planning (PP)

ROUND AMOUNTS TO THE NEAREST DOLLAR. Identify the sources of other funds. Check that the figures are correctly added and the column totals are the same as provided in Part I, Box 4. Funding Sources. Funding Summary Instructions are on the following page.

Activity Code	Activity	*National Objective	Proposed Units of Accomplishment	CDBG Funds	Other Funds	Total Funds	Sources of Other Funds
0630	Planning						
0180	Total Non-Administration						
0181	General Administration						
1000	TOTAL PROGRAM COSTS						

Note: Please make sure your math is correct!

Clarification for the above activities should be directed to DED.

ACCOMPLISHMENT:

(P) = Proposed total number of people benefiting _____. Number LMI _____.

***NATIONAL OBJECTIVE:** Enter single most appropriate national objective code for each activity.

List application page number or numbers for source/narrative documentation: _____.

Refer to Part III Project Description, Item 4 National Objective Impact and Section 2.01.

- LMA:** Benefit Low/Moderate Income Persons on an area basis.
Census Data _____% **or** (year) income survey _____%
- LMC:** Benefit Low/Moderate Income Persons on a limited clientele basis
- LMH:** Benefit Low/Moderate Income Households. Number of LMI Households _____.
- SBA:** Activities benefiting slums/blight on an area basis (Planning only)
Designated: (year) Re-designated (when available): (year)
- SBS:** Activities benefiting slums/blight on a spot basis (Planning only)
Designated: (year) Re-designated (when available): (year)

Using the activity code number and description provided on the Funding Summary, enter the CDBG National Objective code for each activity (as identified on the Application Form).

Enter the dollar amount of CDBG funds requested for each activity. Enter the amount of other funds **that you are committing** to each activity and identify the source. Be sure to distinguish costs among the proper activities. You would include costs for environmental review, fair housing activities, labor standards enforcement, record keeping, progress reports, general office expenses, contractual services for administration, and audits under code 0181 General Administration.

PART II. FUNDING SUMMARY INSTRUCTIONS

Using the activity code number and description provided on the Funding Summary, enter the national objective code for each activity (as identified on the application form).

Enter the dollar amount of CDBG funds requested for each major activity. Enter the amount of other funds **that you are committing** to each activity and identify the source. All matching funds shown on the application must comply with all CDBG requirements. Select the single most specific code to describe the nature of the activity being funded. For example, if property will be acquired and a senior center will be constructed with CDBG funds, code the activities 0091 Senior Center rather than 0010 Acquisition. You would include appraisal, acquisition, architectural, and construction costs with 0091 Senior Center. You would include costs for environmental review, fair housing activities, labor standards enforcement, record keeping, progress reports, general office expenses, contractual services for administration, and audits under 0181 General Administration.

Limit Funding Summary to allowable CDBG eligible costs incurred during the CDBG program period only. Exclude any "other" project costs not eligible for CDBG reimbursement or match (i.e. test holes completed, preliminary architectural or engineering fees incurred or obligated prior to Release of Funds, fees for services not procured by CDBG guidelines, equipment or furnishings not affixed to building, etc.). Written documentation of commitment of source matching funds must be included as an attachment.

Identify the sources of other funds and provide written documentation of availability of matching funds. Please be certain that the figures are correctly added and the column totals are the same as provided in the Part I Application.

PART III. PROJECT BUDGET

Information provided in this section will be used to evaluate the accuracy and reasonableness of activity cost estimates shown on *Part II Funding Summary Item 1* of the application. Indicate the date and source of cost estimates. The applicant must attach separate information detailing their project budget.

Project Delivery Costs

List the activity description and activity code number for each activity (other than general administration).

Under each activity provide a breakdown of the major costs that comprise the activity.

Information provided in this section will be used to evaluate the accuracy and reasonableness of activity cost estimates shown on *Part II* of the application. Indicate the date and source of cost estimates.

Administration Costs

The general administration (activity number 0181) budget includes those costs that are administrative in nature with the exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc. Common line item costs in this activity are environmental review, fair housing activities, financial audit(s), preparation of required grant progress reports and draw downs, etc. If many of the general administration duties are to be performed by local government personnel, it is acceptable to use salaries and benefits as a line item cost. However, it should be noted what specific duties are to be performed under the salaries and benefits line items.

PART IV. PROJECT DESCRIPTION & SCORING CRITERIA

Applicants should use this portion of the application to describe the challenges and opportunities within the project area and how the project can address identified community development and/or housing needs. Provide specific information about the issues and/or problems the project will address, the line item budget, preliminary schedule, and how the project fulfills the selected National Objective information in this section.

The Matrix below describes each selection criteria as a numerical score within the Planning Program. The maximum number of points available within any application is 1,000 points. A minimum score of 400 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need	Project Impact	Project Readiness (Local Effort)	Match	LMI Benefit	MEF	Bonus Points	TOTAL
250	250	250	50	50	100	50	1,000 points
150 min	125 min	125 min	0	0	0	NA	400 minimum

1. Project Need: Up to 250 points is possible. A minimum of 100 points in this section is required in order to meet threshold. Describe the existing or imminent problem and/or an assessment of the need for the project. The significance of the project need will be scored as compared to other applicants. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions; identify any past formal or informal planning efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project. Points in this section include:

- 0-75 points; no identifiable problems
- 80-150 points; minor problems
- 155-250 points; major problems

Preference will be given to “Top Tier” projects. The application narrative shall be scored for:

- clear and concise explanations of the overall purpose on the project application and factual information that illustrates the severity of the community's problems;
- the citizen participation process to determine the objectives for problem resolution and demonstration of the capacity and commitment to successfully implement changes or projects as a result of the planning process; and
- past efforts (planning or otherwise) to resolve the problem and meet community needs, including community involvement/efforts or regional efforts to address common needs, including capacity for operation and maintenance where appropriate.

A strong narrative will address or include the following:

- Documentation of the severity of the community problem as presented through inventories, other studies, previous planning efforts, community participation through a needs identification (a completed strategic planning process) or other analysis. This should include an explanation of the overall purpose on the project application and factual information that illustrates the severity of the community's problems
- Past efforts to resolve the problem and meet community needs. The degree to and consequences that no-action has on the community and its effect on low and moderate-income persons and special needs persons.

- How long the need has existed, what caused the need and the extent these circumstances are within the control or beyond the control of the applicant.
- How the community, especially low and moderate-income persons and special needs persons, were included in the citizen participation process for defining problem statement/goals/objectives.
- Demonstrate the capacity and commitment to successfully implement changes or projects as a result of the planning process.

Community involvement and participation is a fundamental part of any community needs-assessment process and is required as part of the CDBG application process (see Section 5.02 and *Exhibits A, B, & C*). Community surveys, town hall meetings, and/or interviews with community organizations, businesspersons, government officials and other community representatives are encouraged to determine perceived community needs. Public involvement should also be used to let residents know what needs were identified, how they were identified and to give residents an opportunity to react to the needs assessment information. Existing capital improvement plans, comprehensive plans, and economic development, or housing plans should be reviewed to determine if they reflect current conditions and goals or if there is a need to develop new goals and action plans. Special short-term committees can be asked to validate and/or update existing information.

The proposed project in a CDBG application does not have to be the highest community priority. Often top-ranked needs can be addressed with other more appropriate local, State or Federal financial resources. Sometimes one of the community's lower-ranked needs may address an issue that is a high priority for CDBG funds such as a project that will affect low- and moderate-income persons. Other times government and/or elected officials may be more aware of a need for that CDBG may be an appropriate resource than the general public. In this case efforts should also be made to educate and inform the community about the need in order to build consensus and support to address the problem.

2. Project Impact: Up to 250 points possible. A minimum of 125 points in this section in order to meet threshold. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants. Points in this section include:

- *0-75 points; inadequately defined (or below average) project impact*
- *80-150 points; reasonably defined project impact that is average compared to other applicants*
- *155-250 points; above average description of project impact*

Preference will be given to “Top Tier” projects. The application narrative shall be scored for:

- clearly defined goals and objectives explanations of the overall purpose on the project application and factual information that illustrates the severity of the community's problems;
- description of the alternatives considered to address the need(s) and the rationale for selecting the proposed solution;
- description of the proposed project outcome in measurable units, the degree to which these accomplishments within project implementation (after plans have been completed) will reduce or eliminate the need(s), and any plans to eliminate what needs remain; and
- Indicate if there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

A strong narrative will address or include the following:

- How the project will not duplicate or overlap other projects in the community or area.

- How the project ranks amongst the community priorities; and explain its ranking according to funding sources available.
- The extent the proposed CDBG project will support or compliment related activities or investments committed to or planned for the project study area.
- Is the project a long-term solution, feasible, appropriate in terms of community needs, and does it completely solve the problem statement.
- Discussion of other options and/or alternatives investigated and seriously considered, or have cooperative approaches with other communities been considered.

3. Project Readiness (Local Effort): Up to 250 points possible. A minimum of 125 points in this section in order to meet threshold. A description of prior and current efforts related to: the overall planning strategy; the work plan for solutions to the problems/needs and impact as defined above; overall project readiness; and the community's financial and operational capacity. Project readiness will be scored as compared to other applicants. Points in this section include:

- *0-75 points; inadequately defined (or below average) project readiness*
- *80-150 points; reasonably defined project readiness that is average compared to other applicants*
- *155-250 points; above average description of project readiness*

Preference will be given to "Top Tier" projects. The application narrative shall be scored for:

- (a) detailed description of the planning activities and the methods for achieving goals and objectives as outlined in Project Impact;
- (b) work plan and narrative that lists and describes the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity;
- (c) Description of citizen participation process, specifically the outline and scheduling (timeline) of how broad-based community involvement/awareness will be included in the process for the project;
- (d) how the completed planning activities will benefit the community, especially low and moderate-income and special needs persons;

A strong narrative will address or include the following:

- How the project will not duplicate or overlap other projects in the community or area.
- The appropriateness and clarity of the strategy in relationship to its impact on solving the problem statement.
- The completeness of the project outline/timeline strategy in achieving the project outcome in two years or less.
- The usefulness of the completed project in meeting the problem statement and community needs, and most important in how the project supports implementing other community projects (existing and proposed).
- A budget and narrative that illustrates projected expenses, and links these expenses to the sources of funding, including the relationship of the project to other funding sources and an explanation of how expenses were determined.
- Cost reasonableness.

4. Matching Sources: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Points will be awarded to applicants based on the amount of funds provided that exceeds the required match. For purposes of PP applications, projects exceeding the required percentage of matching local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities will be awarded additional points. The table below further describes these criteria.

Match	
50 points	10% or greater of total project costs above required match
25 points	5-9.99% of total project costs above required match
10 points	3-4.99% of total project costs above required match
0 points	Less than 3% of total project cost above required match

5. LMI Benefit: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to give points to communities with higher concentrations of LMI persons. Communities with a LMI population of 55% or more will receive 50 points. Communities with a LMI population between 51% - 54.99% will receive no points in this section. No points will be awarded for projects applying under the SBA category.

In addition, all PP projects funded, and CDBG-funded project activities, must meet one of two National Objectives of the CDBG Program, including:

- Benefiting low-to-moderate income persons (LMI); (including on an area basis, housing, or serving a limited clientele); or
- Aiding in the prevention or elimination of slums or blight (SBA) (including both area-wide and on a spot basis).

A project or project activity that fails to meet one of these specified national objectives is ineligible for CDBG resources.

For more information see Sections 2.01 and 5.03 of the Application Guidelines.

6. Municipal Equalization Fund (MEF) Score: Up to 100 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

7. Bonus Points (Sustainability): Up to 50 points possible. No minimum point required in order to meet threshold. Points will be awarded in this section for applicants that can demonstrate that planning projects will address sustainability concerns by:

- (a) promoting energy efficiency throughout the community and project area;
- (b) reduction of inefficiencies throughout the community in relation to: budget, operations, and project implementations; and
- (c) promote environmental stewardship.

PART V. EXHIBITS AND ATTACHMENTS

This Chapter contains specific information on the Exhibits that are required for the project as well as any necessary Attachments that must also be provided in order for the applicant to submit a complete application.

The list of required exhibits is identified below as well as provided within the Table of Contents Checklist. **All Exhibit information and templates will be found in Chapter 8 of these Application Guidelines.** Any required Attachment information is provided within this Chapter below.

The following Exhibits include the certification and documentation requirements for the Planning application. These Exhibits must be submitted with the application.

- **Exhibit A:** Notice of Public Hearing (incl. Proof of Publication or Certificate of Posting and summary of citizen's comments)
- **Exhibit B:** Authorizing Resolution (Original or Certified copy)
- **Exhibit C-1 :** Statement of Assurances and Certifications
- **Exhibit C-2:** Citizen Participation Plan
- **Exhibit D:** Residential Antidisplacement and Relocation Assistance Plan
- **Exhibit E-1:** LMI Census Worksheet (only for LMI area benefit)
- **Exhibit E-2:** LMI Random Sample Worksheet (only for LMI area benefit)
- **Exhibit E-3:** LMC Worksheet (Limited Clientele)
- **Exhibit F-1:** Slum and Blight Area Basis Documentation (*where appropriate*)
- **Exhibit F-2:** Slum and Blight Spot Basis Documentation (*where appropriate*)
- **Exhibit K-1:** Waiver of Procurement Process and Narrative
- **Exhibit K-2:** Procurement Process completed prior to Application and Narrative
- **Exhibit L:** FFATA Federal Funding Accountability and Transparency Act
- **Exhibit M:** Map of Proposed Project Area (See Item 5 of Part IV Project Description)
- **Exhibit N:** Systems for Award Management (SAM) record and clearance documentation
- **Exhibit O-1:** Four Factor Analysis Assessing Limited English Proficiency
- **Exhibit O-2:** Language Access Plan (optional at the time of application)

NOTE: *Exhibit K-1 is only required when Applicant will act in its official capacity or has retained the services of a professional and can provide documentation to the appointed person(s) or firm(s) for three consecutive years, including the program year for which they are seeking funds. Exhibit K-2 is applicable only when the procurement process has been completed prior to the application, all procurement procedures must follow state and federal requirements when CDBG funds are used.*

Section C. Application Guidelines

The primary objective of Nebraska's non-entitlement Community Development Block Grant (CDBG) Program is to develop viable communities and counties by providing decent housing, suitable living environments, and expanding economic opportunities principally for low- and moderate-income (LMI) persons. As the designated state administering agency, the Nebraska Department of Economic Development (DED) accomplishes this objective by funding activities authorized under the federal Housing and Community Development Act of 1974, as amended, and designed to meet the objectives for the CDBG Community Development category. These particular guidelines concern the Planning (PP) Program. CDBG guidelines for other programs can be obtained from DED. **If additional guidance from HUD is received, DED will notify all applicants of any new requirements by Policy Memo.**

Section 1.01 Eligible Applicants

Except as provided in *Section 1.03*, eligible applicants include every Nebraska incorporated municipality under 50,000 populations and every county.

Section 1.02 Types of Applicants

Eligible applicants may submit one of two types of applications:

- 1. Individual:** Except as provided in *Section 1.03*, an eligible municipality may apply only for projects within its corporate limits, and an eligible county may apply only for such projects or activities in unincorporated areas.
- 2. Joint:** Eligible applicants may apply together for projects when it can be clearly documented that mutual action by the applicants is required. The applicant local government in multi-jurisdictional application must also be a direct participant in the study/project. The applicant local government cannot serve only as a pass through for CDBG funds or only as the general administrator of the study/project.

Section 1.03 Special Policies for Applicants

Special policies affecting *Section 1.01* and *Section 1.02* are:

1. A municipality may not submit an application for projects undertaken outside its corporate limits unless the projects either: (a) occurs within its zoning jurisdiction; or (b) involves property acquired by the municipality prior to project implementation through purchase, donation or a permanent easement.

Activities may serve beneficiaries outside the applicant's jurisdiction provided the applicant is meeting its community development and/or housing needs. If beneficiaries are not residents of the applicant's jurisdiction, explain how the jurisdiction's needs are being met by the proposed activity (see 24 CFR 570.486(b)). Applications seeking multi-community funding may be subject to additional requirements; applicants for such projects should contact the program representative for technical assistance.

2. A county may not submit an application for projects undertaken within the corporate limits or zoning jurisdiction of a municipality unless the projects involves either: (a) public facilities within an eligible incorporated municipality that are owned or operated by the county; or (b) activities provided county-wide, either directly by the county or through contract with another local or area agency.
3. A joint application must include a written agreement made in accordance with state law (Inter-local Cooperation Act) that (a) stipulates that the parties will cooperate in undertaking the project; (b) delineates responsibilities and authorities of each party with respect to grant administration; and (c) authorizes one of the parties to act as primary agent for administrative and monitoring purposes.
4. If an application requires participation of entities that are not eligible applicants, each such entity must provide written assurance that it concurs with the project and is committing its resources, if any, as stated in the application.

5. Eligible applicants may provide CDBG funds to a subgrantee neighborhood-based nonprofit organization. A neighborhood-based nonprofit organization is an association or corporation, duly organized to promote and undertake community development activities on a not-for-profit basis within a neighborhood. An organization is considered to be neighborhood-based if the majority of either its membership, clientele, or governing body are residents of the neighborhood where activities assisted with CDBG funds are to be carried out. A neighborhood is defined as: geographic location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government that is under 25,000 population.

Section 2.01 Compliance with the CDBG National Objective

The primary national CDBG objective is the development of viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income persons. Under these guidelines, this is accomplished by funding projects that meet at least one of three national objectives. Based on the amended 1974 HCD Act and HUD guidance, the national objectives are defined and clarified by DED as follows:

1. **Benefit to low-and moderate-income persons** (referred to throughout this document as LMI persons): LMI persons are defined as a member of a family having an income equal to or less than the income limits established by HUD for their resident county. The income limits as published by HUD at www.huduser.org/datasets/il.html are determined for each Nebraska county on the higher of either: 80% of the median income of the county, or 80% of the median income of the entire non-metropolitan area of the state.

Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to meet this national objective.

- a. **Area benefit activities:** An area benefit activity is available to all residents of an area that is **primarily residential**. In order to qualify on an area basis, the activity must meet the identified needs of LMI persons residing in an area where at least 51% of the residents are LMI persons. The benefits of this type of activity are available to all residents in the area regardless of income. If the assisted activity *serves* an area having a LMI concentration below 51%, the activity may not qualify even if there is reason to believe that primarily LMI persons will actually use it.

Such an area need not be coterminous with census tract or other officially recognized boundaries, but must be the ENTIRE area served by the activity (i.e. an arterial street or sewer interceptor line running through a neighborhood would serve more residents than those in the immediate neighborhood).

Grantees that believe the HUD provided data from 2000 Census does not reflect current relative income levels in an area, or where census boundaries do not coincide sufficiently well with the benefit area of an activity, may conduct (or have conducted) a current survey of the residents of the area to determine the percentage of such persons that are LMI. DED will accept information obtained through such surveys where it determines that the survey was conducted in a manner that the results meet standards of statistical reliability as set forth in [Guidance for Survey Methodology to Determine Low/Mod Status of CDBG Service Areas](#). If an income survey has been conducted to determine the LMI percentage, the applicant must complete and submit the appropriate Exhibit E-1 (Census Survey) or Exhibit E-2 (Random Survey) worksheet with supporting documentation. Income surveys conducted before January 1, 2012, will not be accepted.

- b. **Limited clientele activities.** These are activities that provide benefits to a specific group of persons rather than everyone in an area generally. It may benefit particular persons without regard to the area in that

they reside, or it may be an activity that provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51% of the beneficiaries of the activity must be LMI persons. Submit Exhibit E-3. To qualify under this subcategory, the activity must meet one of the following tests:

- (1) Exclusively benefit a clientele who are generally presumed by HUD to be principally LMI persons. The following groups are currently presumed by HUD to be made up principally of LMI persons: abused children, battered spouses, elderly persons, adults meeting Bureau of Census' definition of severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or,
- (2) Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limit (This includes the case where the activity is restricted exclusively to LMI persons); or
- (3) Be of such nature and be in such location that it may reasonably be concluded that the activity's clientele will primarily be LMI persons (e.g. a daycare center that is designed to serve residents of a public housing complex); or
- (4) Be an activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting Bureau of Census' Current Population Reports definition of "severely disabled," **provided** it is restricted, to the extent practicable, to the removal of such barriers assisting the reconstruction of a public facility or improvement or rehabilitation of a privately-owned nonresidential building that does not qualify under LMI area benefit criteria.

Activities that serve an area generally cannot qualify under the Limited Clientele criterion. For example, while a clinic serving only persons with AIDS living in a particular area would clearly qualify as a Limited Clientele activity, a clinic providing CDBG-subsidized health services that are available to *all* persons in the area would not. It must instead meet the criteria for an Area Benefit activity.

- 2. Aid in the prevention or elimination of slums or blight:** "Slums" has the same meaning as substandard areas as defined in Section 18-2103(10) Neb. R.R.S. "Blight" has the same meaning as blighted areas as defined in Section 18-2103(11) Neb. R.R.S. A copy of the Community Development law is available upon request from DED.

Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to meet this national objective.

- a. On an area basis:** An activity will be considered to meet this objective if (1) the area is designated by official action of the local government as substandard or blighted in accordance with the applicable state statute; and (2) there is a substantial number of deteriorated or deteriorating structures throughout the area, or public improvements throughout the area are in a general state of deterioration; (3) the assisted activity is designed to address one or more of the conditions that contributed to the deterioration of the area; (4) documentation is provided and maintained by the recipient on the boundaries of the area and the conditions that qualified the area at the time of its designation; and (5) activities to be assisted with CDBG funds must be limited to those that address one or more of the conditions that contributed to the deterioration of the area. Submit Exhibit F-1.
- b. On a spot basis:** An activity must be designed to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area; and be limited to one of the following: acquisition, clearance, relocation, historic preservation, or rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety. (Public improvements cannot

qualify under this standard except for rehabilitation of public buildings and historic preservation of public property that is blighted). Submit Exhibit F-2.

Section 2.02 Compliance with State Planning Objective

The state CDBG objective of the Planning category is to provide communities the opportunity to solve problems/meet citizen needs through a community planning process that: assess community development needs, develops options for meeting those needs, and packages work plans or carry out processes that lead to successful projects.

This recognizes the importance of investing in a planning process, which results in project implementation with a principal benefit to low- and moderate-income persons.

Section 3.01 Eligible Activities

Activities eligible for assistance under the state's CDBG program are only those authorized in Section 105(a) of the amended 1974 HCD Act. The general rule is that any activity listed in Section 105(a) may be funded in whole or in part with CDBG funds. Below is a partial list of activities from 24 CFR 520.205 (a). Communities should be aware that although an activity may be legally eligible under Federal statute and HUD regulations, it may not be competitive under the guidelines and ranking system in the Nebraska CDBG Program. Restrictions are identified in *Section 3.02*.

NOTE: The planning project activity must either meet the national objective for benefit to LMI persons or SB for the prevention or elimination of slums /blight. For example a project claimed to meet SB does not necessarily qualify the components of the project that are community wide benefit as meeting the SB national objective.

1. Community strategic planning; such as: environmental scan, needs assessment, citizen participation, and fiscal management.
2. Analyses of impediments and barriers to fair housing choice.
3. Neighborhood/comprehensive/strategic development plans.
4. Functional or special studies for: housing, infrastructure, community economic development, land use/regulatory measures, main street improvement district, downtown revitalization, energy conservation and transportation.
5. Environmental, heritage tourism, and historic preservation studies.
6. Pre-engineering studies for publicly owned water/wastewater projects
7. Payment of reasonable administrative and audit costs not to exceed 10% of the CDBG funds awarded is greater.

Review and scoring of project applications will be prioritized and preference given to those projects that utilize and incorporate a comprehensive strategic approach that utilizes community needs assessments, participation, and planning efforts. This comprehensive approach should include: significant needs identification; an adopted or updated Comprehensive Plan; a housing study; and a capital improvement plan.

Projects that meet these requirements will be considered "Top Tier" projects. Additional preference will be given to those projects that will lead to a significant impact upon the community and is likely to have a sustained impact. These projects will address the long-term comprehensive vision for the community and not just focus on a single problem that might be addressed for the short term. Those project applications that are not classified as a "Top Tier" project will also be reviewed within the application cycles, but will not receive priority and preference.

Section 3.02 Ineligible Activities

In general, any planning activity not described or referenced in *Section 3.01*, or any planning activity that does not meet a national objective as stated in *Section 2.01*, is ineligible for consideration. In addition, CDBG Planning category grants shall not be used to fund:

1. General administrative and audit costs that exceed 10% of the CDBG funds awarded or \$3,000; whatever is greater.
2. Engineering, architectural, and design costs related to a specific activity;
3. Direct development and/or preparation of a CDBG application;
4. Other costs of implementing plans.
5. Operating costs for an organization.

Section 4.01 Maximum Grant Amount

The maximum grant is \$30,000 for municipality or county and \$50,000 for multi-community, countywide, or regional, which includes administrative and audit costs in *Section 3.01, #7*.

Section 4.02 Matching Funds Requirements

Matching funds are required non-CDBG cash contributions committed and accountable to the project. Projects providing matching funds in excess of the required percentage may be awarded additional points. Allowable cash and in-kind contributions are governed by 2 CFR Part 200, and 24 CFR 85.24 Code of Federal Regulations (CFR).

1. All planning activities require a minimum of 25% match (minimum 12.5% non-CDBG cash contributions) of the total project activity costs (excluding general administration).
2. General administrative activities require no matching funds and *shall not exceed 10% of the CDBG funds awarded or \$3,000; whichever is the greater amount.*

Section 4.03 Program Income

Program income is defined as gross income received by a State, a unit of general local government, or a subgrantee of the unit of general local government that was generated from the use of CDBG funds, regardless of when the CDBG funds were appropriated and whether the activity has been closed out, except in limited circumstances [See also 24 CFR 570.489(e)(2)]. When program income is generated by an activity that is only partially assisted with CDBG funds, the income must be prorated to reflect the percentage of CDBG funds used.

Program income includes, but is not limited to, the following:

- (1) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds except in instances where the proceeds are received more than 5 years after expiration of the grant agreement between the state and the unit of general local government." [See also 24 CFR 570.489(e)(2)(v)];
- (2) Proceeds from the disposition of equipment purchased with CDBG funds;
- (3) Gross income from the use or rental of real or personal property acquired by the unit of general local government or subgrantee of the unit of general local government with CDBG funds, less the costs incidental to the generation of the income;
- (4) Gross income from the use or rental of real property, owned by the unit of general local government or other entity carrying out a CDBG activity that was constructed or improved with CDBG funds, less the costs incidental to the generation of the income;
- (5) Payments of principal and interest on loans made using CDBG funds, except in instances where "Payments of principal and interest made by a subgrantee carrying out a CDBG activity for a unit of general local government, toward a loan from the local government to the subgrantee, to the extent that program income received by the subgrantee is used for such payments;" [See also 24 CFR 570.489(e)(2)(iii)];
- (6) Proceeds from the sale of loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
- (7) Proceeds from the sale of obligations secured by loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
- (8) Interest earned on funds held in a revolving fund account;
- (9) Interest earned on program income pending disposition of the income;
- (10) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not of low and moderate income, if the special

assessments are used to recover all or part of the CDBG portion of a public improvement; and (11) Gross income paid to a unit of general local government or subgrantee of the unit of general local government from the ownership interest in a for-profit entity acquired in return for the provision of CDBG assistance.

All program income earned during the grant period must be expended on the project activities prior to drawing down additional CDBG funds under the grant. Program income earned after the completion of the grant activities is subject to the following requirement.

Additional information regarding CDBG program income is available within the current Annual Action Plan.

Section 5.01 Submission of Applications and Selection of Grantees

Eligible local governments may individually or jointly apply once and receive one grant under these guidelines per application cycle.

Applications will be submitted according to the provisions stated in *Section 1.01* through *Section 1.03* and in the manner described in *Section 5.04*. ***The Nebraska Department of Economic Development beginning March 15, 2016 through April 1, 2016 will accept applications for the 1st Cycle. Applications for Planning will again be accepted during a second cycle once the first cycle applications have been awarded. The 2nd Cycle is an open application cycle with applications accepted through April 1, 2017.***

Applications will be accepted during this period based on U.S. Postal Service postmark date or date of delivery by other means.

Applications will be returned and not considered if they fail to meet any of the following threshold requirements prior to review:

1. applicant is eligible;
2. activities are eligible and comply with national CDBG objectives and state CDBG priorities;
3. applicant has no significant, unresolved audit finding;
4. applicant has no legal actions under way that may significantly impact implementation of the project;
5. applicant is following a detailed citizen participation and antidisplacement plan;
6. applicant has adopted authorizing participation resolution;
7. applicant must have addressed and cleared all compliance problems (i.e. Davis-Bacon, acquisition, fair housing, etc.), if any, from past awards and have responses accepted by DED;
8. applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audit reports, etc.)
9. applicant meets minimum total selection criteria score points with no selection criterion scored at 0; and
10. ***applicant has shown progress (including expenditures through drawdowns) on prior CDBG grants. In general, DED will review projects that have been funded at least two years prior to the current program year.***

PP applications must be submitted per the Planning Program Application Guidelines. Applications will be accepted during two cycles. **The first cycle is March 15, 2016 through April 1, 2016.** The second cycle is an open cycle and applications will be accepted once the first cycle applications have been awarded, and will continue until **April 1, 2017**, prior to the beginning of the first application cycle of the **2017** Program Year, or until CDBG PP Category funds are depleted, whichever comes first. No more than 60% of the **2016** allocation will be awarded within the first application cycle.

1. Applications will be accepted during these periods based on U.S. Postal Service postmark date, or date of delivery by other means. Applications not funded during an application cycle may be carried over to the next Program Year cycle at the request of the applicant, or may be resubmitted during the next available application cycle.

2. Applicants meeting required thresholds for eligibility and review may submit a Planning application. Applications will be reviewed using the Selection Criteria Matrix below.
3. The highest scoring applicants, who also meet all required thresholds, may be awarded.
4. Applications recommended for approval through these processes will be presented to DED's Director and to the Office of the Governor for a grant award (also known as a Notice of Approval). The DED Director has the authority to ask for reconsideration of recommended project awards in order to ensure compliance with the submission and selection criteria. DED will send a formal Notice of Approval Letter to the applicant community upon application approval.

Applications recommended for approval through the funding process will be presented to DED's director for grant award. The office of the Governor will be notified. The DED director has the authority to ask for reconsideration of recommended project awards to assure compliance with the submission and selection criteria. The Department will send a formal Notice of Approval letter to the applicant community receiving application approval.

Section 5.02 Special Policies for Thresholds for Selection

Special policies affecting thresholds for selection in *Section 5.01* are:

1. The **citizen participation plan** must contain provisions for the involvement of citizens, particularly LMI residents, in all phases of the project. Each local government submitting a single application or participating in a joint application must have and follow a citizen participation plan. The plan must provide for:
 - (a) proper notice and access to all meetings and project records;
 - (b) technical assistance on request to groups representative of LMI persons;
 - (c) a minimum of two public hearings, each at a different stage of the program, for the purpose of obtaining citizen's views, responding to proposals and questions (specifically during the application phase, the hearing(s) must cover community and housing needs, development of proposed activities to be undertaken, the amount of funds requested, the estimated amount proposed to benefit LMI persons, the amount and source of matching funds, if any, and the applicant's plans for minimizing displacement of persons as a result of CDBG assisted activities and for assisting persons actually displaced; and specifically during the implementation phase, the hearing(s) must review program performance). The minutes of the public hearing and the public hearing notice are to include each listed statement. Public hearings for joint applicants must be held in each participant's jurisdiction and the application must be available for public inspection at each locality.
 - (d) a process for responding to complaints and grievances within 15 working days; and
 - (e) the needs of non-English speaking residents where a significant number of them can be expected to participate in public hearings.
2. The **residential anti-displacement and relocation assistance plan** must be adopted and certified by the local government and be available to the public. A certification and plan is required even if the applicant is not proposing activities that will result in demolition or in the conversion of a LMI unit to a use other than LMI housing. The plan must contain two components: (a) one-for-one replacement unit requirement and (b) a relocation assistance component.
 - a. One-for-one replacement unit requirement applies to all occupied and vacant occupiable LMI dwelling units that will be demolished or converted to another use as a direct result of a CDBG assisted activity. Occupiable dwelling unit is a residential unit that is in standard condition or in a substandard condition, but suitable for rehabilitation.

- (1) A LMI dwelling unit is defined as a unit with a market rental, including utility costs, that does not exceed the Section 8 fair market rent (FMR) as established by HUD. Whenever assisted rehabilitation raises the rent above the FMR, that unit must be replaced.
 - (2) A "vacant occupiable dwelling unit" is a unit in standard condition or a unit in substandard, but is suitable for rehabilitation; or a dwelling unit that has been occupied (except for a squatter) at any time one year prior to the Notice of Approval date for an approved application.
 - (3) A unit is "standard condition" is ready to be lived-in with only a minimal amount of deferred maintenance or repair required at a reasonable cost.
 - (4) A unit "suitable for rehabilitation" is defined for purposes of this certification as a unit whose estimated repair; rehabilitation, weatherization, and/or general improvement costs do not exceed one half of its replacement value after rehabilitation. The local government may use their own definition for "suitable for rehabilitation" provided such definition is made public and DED determines the definition to be acceptable.
 - (5) Replacement LMI units must be provided within three years from the start of demolition or conversion and must be:
 - located within the same jurisdiction;
 - sufficient in number and size to house at least the number of occupants that were or could have been housed; according to local occupancy codes;
 - provided in standard condition or brought up to a standard condition; and
 - designed to remain LMI units for ten (10) years.
 - Replacement units may include public housing and housing with Section 8 project-based assistance.
 - (6) Assistance cannot be obligated to the demolition or conversion activity until the local government makes public and submits to DED information that identifies:
 - the activity--the location and number of units by bedroom size;
 - the proposed demolition or conversion schedule;
 - the number and placement of replacement units and their size;
 - the source of funding and time schedule for replacement units; and
 - the basis for concluding that each replacement unit will remain a LMI unit for 10 years.
- b. Relocation assistance must be provided to each LMI household displaced by the demolition or conversion to another use of any housing unit because of an assisted activity. Persons must be provided assistance as prescribed in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) or 24 CFR 570.496a(c).

3. The **procurement process** for consultant selection must be outlined in detail in accordance with *Section 5.05 (3) Competitive Proposals*. In specific instances, Exhibit K Procurement Process may be required at the time of application along with related supplemental documentation. Applicants shall complete **Exhibit K-1** if this process as described in Section 5.05 will not be used. The applicant must state why and identify the process that will be used for selecting a consultant. This also includes the process used for selecting the application preparer if that firm or individual is a part of or included in the process intended for selection of the consultant that implements the project. **Exhibit K-2** shall be completed if the procurement process is completed prior to submission of application. Procurement process must follow state and federal requirements with the exception of the Applicant/Grantee acting in their own capacity.

Section 5.03 Category Priority Point System for Selection

Applications are scored based on their capacity to describe the challenges and opportunities within the project area and how the project can address identified community development and/or housing needs. Applicant should provide specific information about the issues and/or problems the project will address, the line item budget, preliminary schedule, and how the project fulfills the selected National Objective information. Refer to the Planning Category component of planning or capacity or organizing that delineates the scoring matrix and criteria.

Selection Criteria Detailed Matrix – CDBG Planning (PP) Category		
Item	Criteria	Points Possible
1. Project Need (threshold: 150 pts)		250
	Overall purpose of project	100
	Capacity and commitment	75
	Past efforts to resolve the problem	75
2. Project Impact (threshold: 125 pts)		250
	Goals and objectives	100
	Accomplishment in measurable units	75
	Alternatives considered	50
	Formal study recommendation	25
3. Project Readiness – Local Effort (threshold: 125)		250
	Planning activities and methodology	75
	Work plan and narrative	75
	Community involvement	50
	Direct benefit to LMI persons	50
4. Match		50
5. National Objective (LMI Benefit)		50
6. Municipal Equalization Fund (MEF) Score		100
7. Bonus Points: Sustainability (no threshold)		50
	Energy efficiency	
	Reduce inefficiencies	
	Environmental stewardship	
Total (minimum threshold 400 pts)		1,000

1. Project Need: Up to 250 points is possible. A minimum of 100 points in this section is required in order to meet threshold. Describe the existing or imminent problem and/or an assessment of the need for the project. The significance of the project need will be scored as compared to other applicants. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions; identify any past formal or informal planning efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project. Points in this section include:

- *0-75 points; no identifiable problems*
- *80-150 points; minor problems*
- *155-250 points; major problems*

Preference will be given to “Top Tier” projects. The application narrative shall be scored for:

- (a) clear and concise explanations of the overall purpose on the project application and factual information that illustrates the severity of the community's problems;
- (b) the citizen participation process to determine the objectives for problem resolution and demonstration of the capacity and commitment to successfully implement changes or projects as a result of the planning process; and
- (c) past efforts (planning or otherwise) to resolve the problem and meet community needs, including community involvement/efforts or regional efforts to address common needs, including capacity for operation and maintenance where appropriate.

Community involvement and participation is a fundamental part of any community needs-assessment process and is required as part of the CDBG application process (see Section 5.02 and *Exhibits A, B, & C*). Community surveys, town hall meetings, and/or interviews with community organizations, businesspersons, government officials and other community representatives are encouraged to determine perceived community needs. Public involvement should also be used to let residents know what needs were identified, how they were identified and to give residents an opportunity to react to the needs assessment information. Existing capital improvement plans, comprehensive plans, and economic development, or housing plans should be reviewed to determine if they reflect current conditions and goals or if there is a need to develop new goals and action plans. Special short-term committees can be asked to validate and/or update existing information.

The proposed project in a CDBG application does not have to be the highest community priority. Often top-ranked needs can be addressed with other more appropriate local, State or Federal financial resources. Sometimes one of the community's lower-ranked needs may address an issue that is a high priority for CDBG funds such as a project that will affect low- and moderate-income persons. Other times government and/or elected officials may be more aware of a need for that CDBG may be an appropriate resource than the general public. In this case efforts should also be made to educate and inform the community about the need in order to build consensus and support to address the problem.

2. Project Impact: Up to 250 points possible. A minimum of 125 points in this section in order to meet threshold. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants. Points in this section include:

- *0-75 points; inadequately defined (or below average) project impact*
- *80-150 points; reasonably defined project impact that is average compared to other applicants*
- *155-250 points; above average description of project impact*

Preference will be given to “Top Tier” projects. The application narrative shall be scored for:

- (a) clearly defined goals and objectives explanations of the overall purpose on the project application and factual information that illustrates the severity of the community's problems;

- (b) description of the alternatives considered to address the need(s) and the rationale for selecting the proposed solution;
- (c) description of the proposed project outcome in measurable units, the degree to which these accomplishments within project implementation (after plans have been completed) will reduce or eliminate the need(s), and any plans to eliminate what needs remain; and
- (d) Indicate if there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

3. Project Readiness: Up to 250 points possible. A minimum of 125 points in this section in order to meet threshold. A description of prior and current efforts related to: the overall planning strategy; the work plan for solutions to the problems/needs and impact as defined above; overall project readiness; and the community's financial and operational capacity. Project readiness will be scored as compared to other applicants. Points in this section include:

- 0-75 points; inadequately defined (or below average) project readiness
- 80-150 points; reasonably defined project readiness that is average compared to other applicants
- 155-250 points; above average description of project readiness

Preference will be given to “Top Tier” projects. The application narrative shall be scored for:

- (a) detailed description of the planning activities and the methods for achieving goals and objectives as outlined in Project Impact;
- (b) work plan and narrative that lists and describes the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity;
- (c) Description of citizen participation process, specifically the outline and scheduling (timeline) of how broad-based community involvement/awareness will be included in the process for the project;
- (d) how the completed planning activities will benefit the community, especially low and moderate-income and special needs persons;

4. Match: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. For purposes of PP applications, projects exceeding the required percentage of matching local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities will be awarded additional points.

Points will be awarded to applicants based on the amount of funds provided that exceeds the required match. The table below further describes these criteria.

Match	
50 points	10% or greater of total project costs above required match
25 points	5-9.99% of total project costs above required match
10 points	3-4.99% of total project costs above required match
0 points	Less than 3% of total project cost above required match

5. CDBG National Objective (LMI Benefit) Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to give points to communities with higher concentrations of LMI persons. Communities with a LMI population of 55% or more will receive 50 points.

Communities with a LMI population between 51% - 54.99% will receive no points in this section. No points will be awarded for projects applying under the SBA category.

All PP projects funded, and CDBG-funded project activities, must meet one of two National Objectives of the CDBG Program, including:

- Benefiting low-to-moderate income persons (LMI); (including on an area basis, housing, or serving a limited clientele); or
- Aiding in the prevention or elimination of slums or blight (SBA) (including both area-wide and on a spot basis).

A project or project activity that fails to meet one of these specified national objectives is ineligible for CDBG resources.

6. Municipal Equalization Fund (MEF) Score: Up to 100 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

The Municipal Equalization Fund (MEF) was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue's Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

Each city's population is multiplied by the average per capita property tax levy for the relevant population group. Then each city's property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city's population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in the state are divided into three population groups:

1. Municipalities with a population of 5,000 inhabitants or more;
2. Municipalities with a population between 800 and 5,000 inhabitants; and
3. Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

7. Bonus Points (Sustainability): Up to 50 points possible. No minimum point required in order to meet threshold. Points will be awarded in this section for applicants that can demonstrate that planning projects will address sustainability concerns by:

- (a) promoting energy efficiency throughout the community and project area;
- (b) reduction of inefficiencies throughout the community in relation to: budget, operations, and project implementations; and
- (c) promote environmental stewardship.

Section 5.04 Requirements for Submitting Applications

To apply for funds under these guidelines, an eligible applicant must complete the APPLICATION FOR PLANNING CATEGORY form. This form consists of five parts: *Part I - General Information, Part II - Funding Summary, Part III - Project Budget, Part IV - Project Descriptions and Impact, Part V - Required Exhibits, Part VI Additional Attachments (where available)*. All parts must be completed according to instructions before an application will be considered for funding. Applicants shall be contacted by DED if their application is incomplete. Incompleteness applies only to *Part I - General Information* and *Part II - Funding Summary*. When all deficiencies have been corrected, DED will resume the review process.

Section 5.05 Use of Consultants

There are a number of reasons why a community may want to use consultants to assist in preparing a Community Development Block Grant application or in administering a grant, **or in implementing an approved planning grant application**, such as when:

- (a) the work requires special professional services, such as accounting, architectural, engineering, legal services or **planning**;
- (b) the local staff is inexperienced in the area of grant writing or project administration or is already committed to other ongoing activities; or
- (c) the work involves a short-term but somewhat specialized project activity that does not justify hiring experienced, full-time staff.

Communities selected for CDBG funding will receive written guidelines regarding the federal and state requirements for selection of consultants to assist with project implementation, such as engineers, architects, planners, housing management administrators, or project administrators. The federal requirements do not apply to communities selecting consultants to assist them in the preparation of an application. The **procurement process** for consultant selection must be outlined in detail in accordance with Section 5.05 (3) Competitive Proposals. In specific instances, Exhibit K Procurement Process may be required at the time of application along with related supplemental documentation. Applicants shall complete **Exhibit K-1** if this process as described in Section 5.05 (3) will not be used. The applicant must state why and identify the process that will be used for selecting a consultant. This also includes the process used for selecting the application preparer if that firm or individual is a part of or included in the process intended for selection of the consultant that implements the project. **Exhibit K-2** shall be completed if the procurement process is completed prior to submission of application. Procurement process must follow state and federal requirements with the exception of the Applicant/Grantee acting in their own capacity.

There are several points that should be considered before selecting a consultant, engineer, architect, planner, housing management administrator, or other professional to help assure that the community will receive satisfactory service.

- 1) **"Loss-Leader" Arrangements** -- "Loss-leader" arrangements, where a consultant offers to prepare a grant application or preliminary engineering estimates at cut rates or at no cost in return for a future contract if the application is funded, are prohibited by federal regulations. Some firms may suggest this approach because costs incurred by a city or county prior to the award of a CDBG, such as preparation of the application or preliminary engineering studies, are not eligible for reimbursement with CDBG funds. However, loss-leader arrangements violate federal regulations that require "maximum open and free competition." Professional organizations also consider this practice unethical because it deprives the client of the benefits that can result from competition among competent, professional firms.
- 2) **Selection of Engineers, Planners, or Administrative Consultants Prior to Grant Award** -- **Generally, the use of multi-services procurement and contracting is prohibited. Except for:** i) when local officials decide to procure the services of an engineer to assist them with both preparation of preliminary engineering plans (**that is not grant application preparation**) and project engineering, in the event their community is selected

for grant award; ii) **when a community wants to conduct one procurement process to cover both grant preparation and grant administration**; and, iii) **when a community wants to conduct one procurement process to cover both planning grant application preparation and planning grant implementation (contingent upon CDBG award)**. This approach is permitted under federal procurement regulations. Obviously, in both cases, the selection process would occur prior to grant application. Any agreement between the community and the engineer or consultant that includes preliminary and project engineering or grant writing and administration services would have to be contingent upon award of a CDBG. Local officials would have to follow the procedures briefly outlined below under Competitive Proposals.

3) Competitive Proposals -- Procurement by "competitive proposals" is a method used to meet federal and state requirements for soliciting architectural, engineering, legal, planning, management, or accounting services. If your CDBG application is selected for funding, this is the procedure that is most appropriate to solicit and select professional services for your project. You may also want to use this procedure to select a consultant to assist you with the preparation of a CDBG application.

With competitive proposals, proposals are advertised and requested from several qualified sources.

HUD regulations for competitive proposals require the following:

- (a) Requests for proposals (RFP's) must be publicized and identify all evaluation factors and their relative importance (examples might be technical expertise of the firm and its personnel-25 points; past record of performance on projects of similar nature including quality of work and cost control-25 points; familiarity with CDBG program-20 points; capacity of firm to perform the work within time schedule-20 points; etc.);
- (b) Proposals must be solicited from an adequate number of qualified sources (at least three);
- (c) Grantees and subgrantees must have a method for conducting technical evaluations of the proposals received according to the criteria specified in the RFP and for selecting awardees;
- (d) Awards must be made to the responsible firm whose proposal is most advantageous to the program, with price and the other specified factors considered; and
- (e) Grantees may use competitive proposal procedures for qualification 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.

DED recommends sending request for proposals to firms serving your region of the State. In addition to advertising in your local newspaper, you should also advertise in at least one other newspaper that is widely distributed in your region of the State. The community would evaluate the firms responding and could then conduct interviews with one or more of the firms responding and select a consultant. The community then negotiates a contract with terms and conditions to its satisfaction.

A response to an RFP should not be confused with a competitive bid. A bid is an estimate of cost in response to detailed specifications. A response to a RFP in the competitive proposal process is a description of how a consultant proposes to approach solving your problem. A Competitive proposal refers to the comparison of qualifications and may include fees where required or deemed appropriate. However, the main focus in selecting the consultant is to evaluate the content of the proposal and the consultant's qualifications and demonstrated competence.

4) References -- Any time a consultant solicits your business you should always check references prior to contracting with them. Request a list of prior clients, showing the organization's name, address, phone number and contact person as well as a brief description of the work performed. A list of the most recent clients is preferable (especially previous CDBG projects). Contact each reference. Some useful questions might be:

- Were you satisfied with the work?
- Was it performed on time?
- Was the consultant knowledgeable about the program?
- Were the tasks or work products prepared by the consultant useful?
- Did the consultant work with local staff to develop local capacity?
- Were the costs or charges reasonable? Did they stay within their original budget?
- Would you hire them again?

Also check to see if the work done for these clients is similar to what you want the consultant to do. The ability to write a grant application does not mean the same consultant has the capability to assist you with management of a grant.

Sometimes the firm you are interested in will be a new firm with few if any client references. New, small firms can sometimes be just as good as well established, large firms, so instead of asking for client references, you would ask for past employer references. Checking references prior to contracting is the most important action you can take to avoid becoming involved with a less than satisfactory firm.

5) Involve Local Staff -- Whenever you retain a consultant to assist you in preparing a grant application or in managing a CDBG project, make sure that someone from the city or county works with the consultant and understands the community's application or the management issues involved. You should have a local staff person become familiar with the regulations for the CDBG program and work closely with the consultant in developing the application or managing the project. A consultant is a technical resource.

Section 5.06 Post Award Requirements

Consideration should be given to a variety of Federal and State regulations that can have scheduling or cost implications. Among these are the:

- 1) Records.** All information on grant-assisted activities must be retained for ten years following completion and closeout of the grant. During the grant period, performance reports are required semi-annually.
- 2) 2 CFR Part 200 Subpart F:** Local governments and nonprofits that expend \$750,000 or more must conduct a single audit of federal and local funds.
- 3) Procurement.** Open and free competition on solicitation of professional services bidding is also required in most cases.
- 4) Environmental Review.** Grant recipients are required to obtain appropriate environmental clearance for their projects and to maintain an Environmental Review Record for each project. The Environmental Review and Request for Release of Funds, if required, must be completed before costs are incurred against the grant.
- 5) Equal Opportunity, Fair Housing, and Handicap Accessibility.** Laws require that CDBG grantees administer their project in a manner that affirmatively furthers fair housing and equal opportunity. All grantees will be required to undertake specific activities to further fair housing. Grantees must also assure that all activities and services are accessible to those with disabilities.

- 6) **International Energy Conservation Code.** Most new construction or substantial rehabilitation of buildings must meet the 2009 International Energy Conservation Code or the most recent version of the International Conservation Code in effect, as specifications. The certification form, which will be provided by the NEO, will attest that the building design complies and provide summary information about the design.

When the Energy Office has determined that a subject building complies, or has received documentation of alternate compliance, it will provide a Verification of Construction form on which it must be certified that the building is constructed substantially according to the plans. At key points during construction, the building should be inspected to verify that insulation and other envelope components, and all specified lighting, heating, cooling, ventilating and water heating equipment and controls are installed as indicated on the plans. The Verification of Construction form must be signed and returned to the Energy Office within twenty (20) days following substantial completion. Contact NEO at 402/471-2867 for a copy of the code.

As an alternate compliance method when a licensed architect and/or engineer have designed a subject building, a Designer Certification may be submitted to NEO instead of building plans and required by 72-804-806 NRRS, and provide for Nebraska Energy Office (NEO) review of plans and specifications (at no cost) that meet said standards. This applies to lighting, heating, cooling, ventilating, or water heating equipment or controls, as well as building envelopes.

Section 6.01 Glossary of Terms

- **Age of Seniors**
For purposes of this program and qualifying a project as meeting the low-and moderate-income national objective by principally benefiting seniors, a senior citizen is a person aged 62 or older.
- **Assessment Abatement**
To pay fees levied against private property for the costs of public facilities activities (see special assessment). In order to maximize benefit to low and moderate-income households, funds may be used to abate the assessments for these owner-occupied households.
- **Community Development Need**
A demonstrated deficiency in housing stock, public facilities, economic opportunities, or other services that is necessary for developing or maintaining viable communities.
- **Department or DED**
Nebraska Department of Economic Development. The state agency that administers the federal Community Development Block Grant States Program for Small Cities funds allocated to the US Department of Housing and Urban Development.
- **Disability**
Any condition or characteristic that renders a person an "individual with disabilities" as defined in 24 CFR Part 8.3 (Code of Federal Regulations). An "individual with disabilities" means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment.
- **Eligible Activities**
Those authorized in Section 105(a) of the amended 1974 Housing and Community Development Act. However, the State and local participants have developed priorities, listed in Section 3.01, that best serve their interests and increase the likelihood of being funded.

- **Family**
All persons living in the same household who are related by birth, marriage or adoption.
- **Firm Public or Private Commitment**
An agreement by a private or public party to take part in a local community development project. The party must demonstrate the capacity to carry out the activity specified in the grant application. The agreement may take the form of a city council or county board resolution, letter from a governmental agency, or a letter of credit from a private lending institution.
- **Grant Closeout**
The process by that the department determines that the grant recipient and the department have completed all applicable administrative actions and all required work.
- **Grant Contract**
The legally binding contract between the state and a grant recipient. It consists of: the notice of grant award, special conditions to the contract, certifications to comply with applicable state and federal regulations, the project budget, and the grant application.
- **Household**
All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.
- **Housing and Community Development Needs Assessment**
A statement by the applicant that lists the community's development needs, including housing needs and needs of low and moderate-income persons and strategies to address the needs. Required of all applicants to be eligible for CDBG funding under Title I of the Housing and Community Development Act.
- **Income**
The total gross income (before taxes) of all members of a family who are age 15 or older. Income includes all monies received by all members of the family such as wages, tips, interest, and bonuses. A family that is involved in a business where the finances are interrelated with the family budget (such as a farmer) should consider their income or net after expenses, as reported to the Internal Revenue Service.
- **Low- and Moderate-Income Person**
A member of a family having an income equal to or less than the Section 8 low-income limit established by HUD (80% or less of the area median). Unrelated individuals shall be considered as one-person families for this purpose.
- **Low-Income Person**
A member of a family having an income equal to or less than the Section 8 "very low" income limit established by HUD (50% or less of the area median). Unrelated individuals shall be considered as one-person families for this purpose.
- **Single Purpose Project**
One or more activities designed to meet a specific community development need.
- **Special Assessment**
A fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement; or a one-time charge made as a condition of access to the improvement. The amount of the fee represents the pro rata share of the capital costs of the public

improvement levied against the benefiting properties.

- **Target Area**

A defined geographic area within that an applicant has determined that, based on community plans or other studies, there exists a need for community development activities. A target area may be a neighborhood in a community or an entire community. The target area must encompass the entire area served by the project.