



## FREQUENTLY ASKED QUESTIONS

### Comprehensive Development (CD) Program

#### Fundability

**Q:** My community completed a Street Study through the CDBG Planning Category. Is it permissible to skip CD Phase I (Pre-Development) and apply directly for implementation funds?

**A:** No, Phase II funds within the CD Program are only reserved for those communities previously selected for Phase I resources.

**Q:** My community has an open CDBG-funded Public Works project. Am I able to apply for funds through the CD program?

**A:** Yes, you are able to apply for Phase I (Planning) funds through the CD Program. However, the Community's open CDBG-funded Public Works project must be closed out prior to submission of the Phase II (Implementation) application of the Community's CD Project. The same rule applies to the Water/Wastewater category.

**Q:** Our community completed a CIS project previously. Are we able to use CD funds to build upon the existing project (e.g. street improvements)?

**A:** The CD Program is intended to develop successful and impactful projects. Communities are highly encouraged to carry out a comprehensive strategy of revitalization of revitalization to stabilize, support, and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes.

**Q:** My community is not ready to apply for Phase I Pre-Development this September. Will Phase I applications be accepted next year?

**A:** As the program comes to fruition, funds will be available on a first-come, first-serve basis. After review of the 2016 program years' applications, the Department will assess how to move forward.

**Q:** Through committee efforts, our community foundation has identified a project that is eligible, but it has not been identified as a "priority" project through our local government process. This project would involve a number of public-private partnerships and has the support of the community foundation and a major area employer. How will this affect how our application scores overall?

**A:** 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. Community involvement and participation is a fundamental component to a successful CD project. Community surveys, town hall meetings, and/or interviews with stakeholders such as community organizations, businesspersons, government officials and other community representatives are encouraged to determine perceived community needs. Partnering with public and private entities to help bring a project into fruition is encouraged.

## Project Service Area & National Objective

**Q:** What is the minimum number of families the target service area should include?

**A:** The target area should be primarily residential in character; however the number of families served will be dependent upon the nature of the community and its needs.

**Q:** How do I determine the boundaries of the service area?

**A:** The boundaries of a service area should be carefully considered in relation to the intended outcome of the overall CD project. It is important to consider that a given activity may serve more

residents than those in an immediate neighborhood. Often communities have distinctive neighborhoods, but all potential beneficiaries should be included in the service area and to fulfill national objective compliance. Additionally, consider natural or artificial barriers that may impact the scope of the service area (e.g. rivers or railroad tracks). In general, it may be better to start with a large service area when putting together the application for Phase I (Planning). Careful consideration should be given as to the intended project activities and where in the community such needs are present. Pre-application focus groups and town hall meetings may be a useful planning tool, as well as throughout the project.

**Q:** Based on our recent comprehensive planning process, we have locally identified target service areas. How do I determine if these areas are LMI?

**A:** Using data previously collected through comprehensive planning may be beneficial in identifying high-need areas within the community. Specifically, LMI areas can be determined by census tract data or a census survey of the entire proposed service area. For reference, the most recent HUD Census LMI Information is listed on the Department's website: (<http://www.neded.org/community/grants/applications/income-limits-cdbg-home-nahtf>). If a

census survey is required, the Department's website provides further guidance for surveying the LMI status of a service area: (<http://www.neded.org/files/crd/2009/CDBG/Appendix%201-Income%20Survey%20Guidelines.pdf>).

**Q:** How do I identify the percentage of LMI individuals in my proposed service area if it doesn't align with a census tract?

**A:** You can identify the percentage of LMI individuals by completing an income survey of individuals in the proposed service area. Regardless of the overall census tract LMI %, applicants must verify the project area's LMI % for national objective compliance. Income surveys conducted before January 1, 2015 will not be accepted for the CD Program.

**Q:** According to the American Community Survey, my community meets the 51% LMI threshold. What are my next steps?

**A:** While the national objective threshold is met community-wide based on American Community Survey (ACS) data, the Comprehensive Development Program is a neighborhood focused initiative targeted towards low- and moderate-income persons. Specific to the nature of the known community neighborhood needs,

applicants must look at specific census tracts or perform an income survey.

If the neighborhood coincides with specific contiguous census tracts, then the LMI% information from those tracts may be used if they are greater than 51% LMI to meet the national objective. If utilizing census tracts, applicants must provide supplemental support demonstrating the area is categorically LMI. Supplemental support in the project area may include a summary of the age of housing stock and values, the numbers of persons receiving Section 8 services, and/or the number of persons on reduced lunches.

If the neighborhood does not follow the boundaries of a contiguous census tract, a new income survey of the project area must be performed to ensure that the neighborhood(s) selected for revitalization are of a character that is primarily low to moderate income (at least 51% LMI). Please refer to the income survey guidance for additional information.

## Match & Leverage

**Q:** What is the difference between match and leverage?

**A:** Match and leverage are required to foster local buy-in and a more comprehensive development of the area under CDBG eligible activ-

ities. Matching funds are maintained as provided in the CDBG contract with each drawdown request; whereas, leveraged funds are only summarized in the application. CDBG contract language specifically ties the leverage narrative listed in the application to the contract. Unlike match, leveraged funds are reported and included in the record near completion of the CDBG project.

**Q:** I am working on my CD application and have questions regarding the match and leverage requirements. I want to apply for CDBG funds to complete a housing project in a targeted service area. What are some examples of match and leverage for Phase I of this type of project?

**A:** Matching funds may include cash contributions or in-kind services from the community or other partners and will be used to fund the project activities alongside CDBG funds as outlined in the CDBG contract. Documentation and expenditure of matching funds will be provided as the Grantee submits draw requests to the Department. In this example, matching funds may be used to supplement CDBG funds in the completion of a housing study during Phase I. Leveraged funds are committed to CDBG eligible activities, documentation of expenditure is required prior to project closeout. In this exam-

ple, leveraged funds for Phase I may be utilized to analyze need for infrastructure improvements related to the housing activities.

**Q:** My community is currently in Phase I of the CD program. For Phase II, we are planning to do street improvements in the project area to use as leverage. Our contractor is ready to begin these improvements; can we start on our Phase II leveraged activities while we are still in the pre-development phase?

**A:** Yes, leveraged funds can be used for any CDBG eligible activities throughout the entire life of the project (both pre-development and implementation phases). In your case, it is permitted to begin street improvement construction during Phase I and count those funds towards your leverage in Phase II. Please note that the community must still reapply and be awarded those Phase II funds.

**For further information,** please contact the Program Representative, **Jenny B. Mason**, at (402) 471-6280, toll-free at (800) 426-6505 or via email at [jenny.mason@nebraska.gov](mailto:jenny.mason@nebraska.gov).