

CHAPTER 2

Comprehensive Development

2017

Community Development Block Grant
APPLICATION GUIDELINES
March 2017, Revised May 2017

NEBRASKA

Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

Revised May 2017

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Section A. Overview

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

The purpose of the Comprehensive Development (CD) Program Category is to provide flexible investments in housing and infrastructure to carry out a comprehensive strategy of revitalization to stabilize, support, and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes. The focus is to foster a greater capacity for local community and economic development initiatives that will carry out an enhanced and stable comprehensive revitalization strategy principally benefitting low- and moderate-income residents of the community.

The CD Program combines the Comprehensive Revitalization (CR) and Comprehensive Investment & Stabilization (CIS) into a single, competitive program. Any community with a population of 5,000 or greater may apply for CD Phase I. To be eligible for Phase II funding, the applicant must have received a Phase I grant. Activities funded within the CD Program Category include those identified as State CDBG Priorities in the Housing, Public Works, Planning, and Downtown Revitalization program categories.

The maximum grant amount for CD activities was \$30,000 for Phase I (pre-development), and was funded during the previous Program Year. Up to \$700,000 for Phase II (implementation) with \$350,000 being provided during the first year awards of implementation funding and \$350,000 being provided for the second year of funding.

For the current Program Year, \$2,250,000 in CDBG funds are anticipated for CD activities only within those communities previously selected for Phase I; this includes Columbus, Fremont, Kearney, Nebraska City, Norfolk, Scottsbluff, Wayne, and York.

Future funding years for this program category will include a new round of Phase I applications and awards. All nonentitlement communities of a population greater than 5,000, including those specifically listed above will be eligible to apply under future Phase I application cycles. Phase II will again be reserved for those communities receiving Phase I pre-development. CD is a competitive program category.

FOR MORE INFORMATION

For further information, please contact the following primary contact for this program category. See also Chapter 1 for more information.

Jenny B. Mason
Nebraska Department of Economic Development
Housing and Community Development Division
PO Box 94666, Lincoln NE 68509-4666
Phone: 1 (402) 471-6280 (or) 1 (800) 426-6505
Fax: (402) 471-8405

jenny.mason@nebraska.gov

<http://opportunity.nebraska.gov/community>

1. ELIGIBLE APPLICANTS

Except as provided in *Section 1.03* of the Application Guidelines, eligible applicants include communities with a population of 5,000 persons or greater and who are not a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island). Any community with a population of 5,000 or greater may apply for CD Phase I. To be eligible for Phase II funding, the applicant must have received a Phase I grant. See the “Fundability Threshold Requirements” for specific thresholds that are also considered in determining eligibility. For more information, see *Sections 1.01 and 1.03* of the Application Guidelines.

2. ELIGIBLE ACTIVITIES

The primary national objective of the CDBG Program is the “development of viable urban communities by providing decent housing and a suitable living environment, particularly for low- and moderate-income persons.” Eligible activities are those identified as State Priorities in the Housing, Public Works, Planning, and Downtown Revitalization program categories.

Activities completed within the CD Category project must be located in the LMI neighborhoods selected for the program based on income surveys conducted and include activities that will benefit the LMI persons within the neighborhoods. In addition, activities that are adjacent to the neighborhood sites or provide a clear benefit to the LMI persons in the neighborhoods identified for the program may also be eligible, but will depend on the nature of activities proposed. The proposed activities for the program may be broad in nature and should include both public and private activities. If any activity is not noted within the list below, please consult the DED Primary Contact, or another CDBG Program Representative, in order to determine if any other proposed activities are eligible for the program.

Phase I Pre-development

- Neighborhood/comprehensive/strategic pre-development studies;
- Functional or special pre-development studies; and
- Analyses of impediments and barriers to fair housing choice.

Phase II Implementation

- Housing rehabilitation or homebuyer assistance programs;
- Neighborhood centers or senior centers of a single- or multi-purpose nature designed to provide public recreational and social activities;
- Nonprofit centers for day care, dependent care, primary health, and mental health care outpatient clinics
 - Excluding shelters defined as: hospitals, nursing homes, convalescent homes, battered spouse shelters, shelters for the homeless, halfway houses, group homes, temporary housing;
- Accredited public libraries;
- Single- or multi-service fire/rescue buildings
 - Fire trucks are specifically considered “public facilities” and thus eligible;
- Removal of architectural barriers for accessibility;
- Water distribution system improvements
 - Only where system service connections are or will be metered;
- Sanitary sewer collection system improvements
 - Lines on private property are eligible under LMH national objective;
- Bridge improvements;
- Street improvements including curb, gutter, and sidewalk;
- Storm sewer improvements;

- Flood control designed to influence or affect the flow in a natural water course such as a river, stream, or lake;
- Drainage improvements (e.g. retention ponds or catch basins);
- Tornado-safe shelters in manufactured home parks
 - Containing not less than 20 manufactured housing units that are within such proximity of shelter to be of use in a tornado;
- Neighborhood parks
 - a new facility/improvement or
 - a quantifiable increase of an existing facility/improvement;
- Loans to businesses located in the designated downtown business district
 - for façade improvements and/or
 - to improve deficiencies in meeting community codes;
- Historic restoration, rehabilitation, housing conversion of upper stories, and preservation for physical structures, and infrastructure in a defined downtown business district; and
- Acquisition, clearance, and code enforcement
 - *NOTE: These activities may only be undertaken when in support of the abovementioned activities.*

For more information, see *Section 3.04* of the Application Guidelines. Restrictions are identified in *Section 3.03*.

3. GRANT AMOUNTS, MATCHING FUNDS, & LEVERAGE

The maximum grant amount for CD activities will be \$30,000 for Phase I (Pre-Development) and \$700,000 for Phase II (Implementation) with a maximum of \$350,000 provided during the first award of implementation funding and \$350,000 provided for the second year’s award of funding. No more than \$8,000 may be used for construction management, and no more than 10% of the amount of the grant may be used for general administration and housing administration, respectively.

For more information, see *Section 4.01* of the Application Guidelines.

Match and Leverage Requirements:

All activities, except general administration, require match and leverage as provided below:

Funding Phase	Local cost-share	
	Match	Leverage
Phase I (pre-development)	25%	25%
Phase II (implementation)	25%	25%

For Phase II, all activities, except general administration and housing management, require a cost-share where match and leverage are respectively 25% each of total CDBG non-administrative costs. Proposed match and leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefitting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period.

Proposed match and leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefitting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period.

Consideration for match and leverage will be given for such sources as public/private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. The amount of match and leverage must be calculated in dollars.

Phase I Predevelopment Non-project activity costs

General Administration for Phase I cannot exceed \$3,000 or 10% of the requested non-administrative CDBG funds, whichever is greater. General Administration activities require no matching funds.

Phase II Implementation Non-project activity costs

The applicant would be allowed 10% each of the total non-administration CDBG award for General Administration and Housing Management (if applicable to project). Up to \$8,000 can be used for Construction Management.

General Administration, Construction Management, and Housing Management do not require any match.

The cost per resident beneficiary for infrastructure (PW eligible activities) cannot exceed \$3,000.

Only up to 25% of the requested CDBG funds can be used for activities eligible for assistance under the Downtown Revitalization (DTR) Program; provided such activities were identified as needs in the pre-development study completed as a part of Phase I, and provide a benefit to low/moderate income residents of the community. If the CD grantee is awarded funds within the DTR category, 0% of the CD award may be used for activities eligible for assistance under the DTR except for housing activities.

Grantees with open Comprehensive Development (CD), Comprehensive Revitalization (CR), or Comprehensive Investment & Stabilization (CIS) awards cannot apply within the Public Works or Water/Wastewater Program Categories.

For more information, see *Section 4.02* of the Application Guidelines.

4. APPLICATION DUE DATES

Applicants meeting required thresholds for eligibility and review submitted a Phase I application September 15, 2016. Phase I awards were made December 12, 2016. Applications for Phase II will be accepted as shown in the table below based on US Postal Service postmark date or date of delivery by other means.

Phase I applications will be reviewed using the Selection Criteria Matrix below. The highest scoring applicants, who also meet all required thresholds, will be awarded up to \$30,000 in CDBG funds for Phase I pre-development. Phase II funds within the CD Program are only reserved for those communities selected for Phase I resources and include \$700,000 for Phase II (Implementation) with \$350,000 being provided for the second award of funding (Year 2).

Below is a summary of the milestones for completion during a CD Category project beginning with the Phase I (Pre-development) application, followed by those projects selected for project implementation. Upon the completion of this round of CD, a second round of CD commencing with pre-development applications will be announced at the Department's discretion. All nonentitlement communities of a population greater than 5,000 will be eligible to apply under future Phase I application cycles. Phase II will again be reserved for those communities receiving Phase I pre-development.

Milestone Summary	Date
Phase I Pre-Development	
Applications Due	September 15, 2016
Awards	December 12, 2016
Phase II Implementation	
Year 1 Applications Due	September 15, 2017
Anticipated Award	January 2018
Year 2 Applications Due	Fall 2018
Anticipated Award	Winter 2018/2019

5. FUNDABILITY THRESHOLD REQUIREMENTS

Phase I projects are to be completed within nine (9) months following award, Phase II 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.

CD category threshold

In addition to those thresholds listed above, an income survey shall be completed for the project areas. Income Surveys for the project area determine the percentage of LMI persons in the areas selected for the project. This will ensure that the LMI percentages within a project area will be consistent for the pre-developments and implementation periods without having to provide revisions due to changes in ACS data and percentages. If an income survey has been recently completed for the project area, please contact the CD Program Representative to ensure this survey will be valid for the application.

CDBG National Objective

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

- Benefitting low- to moderate-income person (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).

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

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

Comprehensive Development Category – Key Maximums and Requirements	
Phase I Pre-development	\$30,000
General Administration	10% of non-admin CDBG costs or \$3,000
Local matching funds	25% of non-admin CDBG costs
Leveraged funds	25% of non-admin CDBG costs
Phase II Implementation	\$700,000 (split equally over two years)
General Administration	10% of non-admin CDBG costs
Housing Management	10% of non-admin CDBG costs
Construction Management	\$8,000
Local matching funds	25% of non-admin CDBG costs
Leveraged funds	25% of non-admin CDBG costs

For more information, see *Sections 4.01 and 4.02* of the Application Guidelines.

6. POST AWARD REQUIREMENTS

Each eligible application must also comply with any necessary post award requirements. These requirements include Environmental Review, Davis-Bacon compliance, Procurement, etc. For more information, and for a complete list of Post Award Requirements, see *Section 5.06* of the Application Guidelines.

7. APPLICATION SELECTION CRITERIA MATRIX

Applicants are required to submit a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria. This summary is of vital importance to the ability of DED to review and score an application based on the thresholds set forth in this section. Details can be further articulated under the subsequent project narrative and/or use of supplemental attachments provided by the applicant to substantiate project need, impact, readiness, and community support.

Phase I Selection Criteria Matrix

The Matrix below describes each selection criteria as a numerical score within the CD Category. 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.

Selection Criteria Summary	Maximum	Threshold Minimum
1. Project Need	200	100
2. Project Impact	200	100
3. Project Readiness	200	100
4. Community Support	200	100
5. Match & Leverage	50	-
6. Municipal Equalization Fund (MEF) Score	100	-
7. Achievements	75	-
Total	1,025 points	400 points

Phase II Selection Criteria Matrix

The Matrix below describes each selection criteria as a numerical score within the CD Category for Phase II (Implementation). The maximum number of points available within any application is 700 points. A minimum score of 350 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.

Selection Criteria Summary	Maximum	Threshold Minimum
1. Project Design	300	150
2. Project Readiness	200	100
3. Community Support	200	100
Subtotal	700 points	350 points
4. <i>On-Site Review</i>	100	50
Total	800 points	400 points

On-Site Review

Upon application submittal to the Department, all Phase II applications will be reviewed for the abovementioned criteria. Those applicants who have identified a reasonable proposal and project design will be invited for a site review. Site reviews will be conducted by DED staff. Project design, need, and impact will be evaluated based on an onsite review conducted by the CD Review Team. This review will compare the proposed project to other application proposals.

For more information see Section B. Application Forms and Instructions, and for a complete list of selection criteria, see *Section 5.03* of the Application Guidelines.

Section B. Application Forms & Instructions

This section contains all forms and exhibits to be submitted so that your application can be scored and ranked effectively. Application narratives should be clear 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 current Program Year’s **Application Guidelines** and the selection criteria described to develop a competitive application. Each applicant must attach a Table of Contents to their application and must include a Table of Contents Checklist, this is provided on the following page. In submitting your application, these instructions must be followed:

Submit **ORIGINAL**, a complete PDF copy (10 MB max), and **TWO (2)** copies [Parts I-IV only].

- Two-hole punched at top.
- 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 numbered in sequence at the bottom of the page.
- All Exhibits labeled at the bottom right-hand corner of the page.
- All Attachments labeled at the bottom right-hand corner of the page.

Failure to follow these instructions may result in the return of your application for correction. All applicants will be given one week to correct and resubmit their application.

Below is an outline of what a CD application should look like:

- **Cover Sheet** (*include project name and location*)
- **Table of Contents** (*use Table of Contents Checklist*)
- **Part I. General Information** (*use required form*)
- **Part II. Funding Summary** (*use required form*)
- **Part III. Project Budget**
- **Part IV. Project Description & Scoring Criteria**
 - **Project Summary** (*follow instructions, See Section 5.03*)
- **Part V. Required Exhibits and Attachments**
- **Part V. Required Exhibits and Attachments**
 - **Attachment 1** – Supplemental LMI documentation
 - **Attachment 2** – Target Area (Neighborhood) Parcel Map
 - **Attachment 3** – Measurable Benchmarks/Project Performance Outline
 - **Exhibits** (*See Exhibits Chapter for more information*)
- **Part VI. Additional Attachments** (*if applicable, supplemental materials provided by applicant*)

Tables of Contents & Checklist

Applicants must attach this Table of Contents to their 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 the 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.

PROJECT INFORMATION	PAGE NUMBER
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	
Item 4 – Community Support.....	
Item 5 – Match & Leverage.....	
Item 6 - MEF	
Item 7 – Achievements	
Part V – Required Attachments	
Attachment 1 – Supplemental LMI documentation	
Attachment 2 – Target Area (Neighborhood) Parcel Map	
Attachment 3 – Measurable Benchmarks/Project Performance Outline	
Part V – REQUIRED EXHIBITS	
A. Notice of Public Hearing	
B. Authorizing Resolution Endorsing Project	
C1. Statement of Assurances and Certifications.....	
C2. Citizen Participation Plan	
D. Residential Anti-displacement & Relocation Assistance Plan	
E1. LMI Documentation/Low- and Moderate-Income Worksheet (<i>LMI Area Benefit only</i>)	
E2. LMI Random Sample Worksheet (<i>LMI Area Benefit only</i>).....	
E3. LMC Worksheet (<i>Limited Clientele only</i>)	
F1. Slum and Blight Area Basis Documentation (<i>SBA Area Basis only</i>)	

F2. Slum and Blight Spot Basis Documentation (*SBA Spot Basis only*).....

K1. Waiver of Procurement Process (narrative)*

K2. 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

O1. Four Factor Analysis Assessing Limited English Proficiency

O2. Language Assistance Plan (OPTIONAL, required at Special Conditions)***

P. Owner Occupied Rehabilitation Activity Guidelines and Reuse Plan†

*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. Note: all procurement procedures must follow state and federal requirements when CDBG funds are used regardless of time of completion. For additional information about procurement and the use of consultants, see *Sections 5.02* and *5.04* of the Application Guidelines.

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

† Exhibit P is only required where project includes OOR activities. If the project involves ROR activities, please consult the Program Representative.

CD Phase II Implementation attachments (*where applicable*)

For Homebuyer Program Guidelines, see CDBG Administration Manual Appendix 2 Guide for Homebuyer Program. For Housing Rehabilitation Program Guidelines, see *CDBG Administration Manual Appendix 3 Guide for Housing Rehabilitation Program*.

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

Attachment 4 (title)

Attachment 5 (title)

Attachment 6 (title)

Attachment 7 (title)

Part I. General Information

Type or 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 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 email address for the local unit of government or local contact.
- 2. Person Preparing Application:** Enter the name and contact information 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. Check the appropriate application preparer status box. For more information regarding use of consultants, see *Section 5.04* of the Application Guidelines.
- 3. Activity Type:** Check the appropriate 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.** (Other funds include matching and leveraged funds. Matching Funds are those project funds required in *Section 4.02*. Be certain that the figures are added correctly and are the same as provided in *Part II*).
- 5. Application Type:** Check the appropriate type box under which funds are being requested.
- 6. Service Area:** Provide information on the project area to be served including the Legislative District, Congressional District, and any other identifying characteristics, such as census tracts and block groups 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. Program Summary:** Provide a short, explicit description of the project activities in measurable terms for which funds are requested. *There is no need to include funding information. IN ADDITION, ATTACH A ONE-PAGE PROJECT SUMMARY FOLLOWING PART I. APPLICATION.* For more information about the one-page project summary, see Part IV and *Section 5.03* of the Application Guidelines.
- 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.

Comprehensive Development (CD) Application

Community Development Block Grant (CDBG)

Nebraska Department of Economic Development (DED)

2017

DED USE ONLY

Application No.

17-CD-

Date Received

PART I. GENERAL INFORMATION

TYPE OR PRINT ALL INFORMATION

1. APPLICANT IDENTIFICATION

Applicant Name _____
 Mailing Address _____
 City, State, ZIP _____
 County _____
 Local Contact _____
 Email Address _____
 Telephone _____
 Fax _____
 Federal ID # _____
 DUNS # _____
 SAM Expiration Date _____

2. PERSON PREPARING APPLICATION

Name _____
 Organization _____
 Address _____
 City, State, ZIP _____
 Email Address _____
 Telephone _____
 Federal ID _____

Application Preparer (Check One)

- Local Staff Out-of-State Consultant
 In-State Consultant Non-Profit
 Economic Development District

3. ACTIVITY TYPE

CD Phase I CD Phase II Implementation: Year 1 Year 2

5. APPLICATION TYPE

Individual

6. SERVICE AREA

Legislative District _____ Congressional District _____
 Other identifying characteristics: _____

4. FUNDING SOURCES

CDBG Funds Requested \$ _____
 Other Funds \$ _____
Total Project Funds \$ _____

Round amounts to the nearest dollar.

7. PROJECT NAME AND LOCATION

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

One-page project summary attached.

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 at <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 maquina en español y las conversaciones seran retransmitidas en español y ingles.

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 activity. Enter the amount of other funds **that you are committing** to each activity and identify the source. 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 Code 0181 General Administration.

Note: Labor Standards Enforcement costs can now be identified under 0181 General Administrative Activity or 0380 Construction Management Activity.

Limit Funding summary information 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.

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.

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.

For more information, see *Sections 3.04, 4.01, and 4.02* of the Application Guidelines.

Part II. Funding Summary CD Phase I (Pre-Development)

(Round amounts to the nearest dollar)

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.

***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* of the Application Guidelines. **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).**

- 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 benefitting slums/blight on an area basis (Planning only)**
Designated: (year) Re-designated (where applicable): (year).
- SBS:** Activities benefitting slums/blight on a spot basis (Planning only)**
Designated: (year) Re-designated (where applicable): (year).

**Qualifying activities under the slum and blight objective for planning-only projects either clearly eliminate objectively determinable signs of slum or blight in a defined slum or blighted area or are strictly limited to eliminating specific instances of blight outside such an area. For additional information, see *Section 2.01*.

Part II. Funding Summary CD Phase II

ROUND AMOUNTS TO THE NEAREST DOLLAR. Questions on any activities contact DED staff.

Activity Code-Activity	*National Objective	CDBG Funds	Matching Funds	Total Funds	Sources of Matching Funds
0010 Acquisition/Easements	1				
0030 Clearance/Demolition	1				
0070 Public Facilities & Improvements					
0081 Day Care Centers					
0082 Health Care Clinics					
0090 Community Centers					
0091 Senior Centers					
0092 Public Libraries					
0093 Fire Station/Equipment					
0230 Streets/Bridges					
0250 Storm Sewers					
0300 Water/Sewer					
0320 Water/Sewer Hookups	LMH				
0370 Flood Control & Drainage Facilities					
0380 Construction Mgmt	n/a				
0490 Architectural Barriers	1				
0530 SF Housing Rehabilitation	LMH				
0541 SF Housing Rental Rehab.	LMH				
0561 MF Housing Rehabilitation	LMH				
0580 Housing Management	LMH				
0590 Commercial Rehab					
0180 Total Non-Administration					
0181 General Administration					
1000 TOTAL PROGRAM COSTS					

¹Must correspond to CDBG National Objective for primary activity.

*For each activity enter the most appropriate National Objective Code. See *Section 2.01* of Application Guidelines for more information. The CDBG National Objectives include LMA (Benefit Low/Mod Income Persons on an area basis); LMC (Benefit Low/Mod Income Persons on a limited clientele basis; LMH (Benefit Low/Mod Income Households). NOTE: If additional categories are needed, add supplemental pages to the application.

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

ACCOMPLISHMENT: Proposed total number of beneficiaries _____. 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* of the Application Guidelines. **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).**

- 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 benefitting slums/blight on an area basis
Designated: (year) Re-designated (where applicable): (year).
- SBS:** Activities benefitting slums/blight on a spot basis

Part III. Project Budget

INSTRUCTIONS: The proposed budget includes project delivery costs and administration costs as stated in the project budget narrative. All items listed as match and CDBG costs must be allowable and eligible under the CDBG Program.

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

Provide the following information on separate sheet(s) of paper behind Part II of the application. Information provided in this section will be used to evaluate the accuracy and reasonableness of activities and cost estimates shown in the application. Indicate the date and source of cost estimates. Provide name, address, phone, and e-mail of person(s) who prepared the estimates. All items listed as match and CDBG costs must be allowable and eligible under the CDBG Program. The Department reserves the right to clarify budgeted items for specifics and clarity during the application review prior to award.

Project Delivery Costs

Providing a breakdown of the costs of the project, 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 that activity. Information provided in this section is 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.

Common line item costs are real property acquisition, legal expenses, architectural and engineering fees, project inspection fees, site work, demolition and removal, construction, equipment, miscellaneous (detailed information) and contingencies (detailed information).

If the project includes work to be performed by volunteers or in-kind contributions by the local government or other organizations, include the value of the volunteer or in-kind donations under the appropriate budget line item. This will be referenced in your CDBG contract, if awarded.

Please note that project costs not eligible for CDBG reimbursement or match and not claimed on the Part II Funding Summary may be identified here as a separate subtotal to clarify total project costs. Such “other” costs may include architectural or engineering fees incurred or obligated prior to Release of Funds, fees for services not procured, equipment, or furnishings not affixed to building, etc.

General Administration Costs

The general administration (activity number 0181) budget includes those costs that are administrative in nature with exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc.

Common line items costs are environmental review, fair housing activities, financial audit (if necessary), labor standards enforcement, preparation of required grant progress reports and drawdowns.

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, line item budget, preliminary schedule, and how the project fulfills the selected National Objective information in this section.

One-page Project Summary Instructions

Applicants are required to submit a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria for scoring of applications, as such, it is of vital importance to the ability of DED to review and score an application. This summary should include a how the project proposes to address one primary objective and outcome as described in *Section 2.03* of the Application Guidelines. *For example, the proposed housing study will provide the opportunity for improved affordability of decent housing in Anytown.*

Eligible applicants may submit a Phase I application by the required due date. Phase I applications will be reviewed using the below Selection Criteria Matrix. The highest scoring applicants, who also meet all required thresholds, will be awarded CDBG funds for Phase I pre-development. Phase II funds within the CD Program are only reserved for those communities selected for Phase I resources.

Phase I (Pre-development)

The Matrix below describes each selection criteria as a numerical score for the CD Phase I application. 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.

Selection Criteria Summary	Maximum	Threshold Minimum
1. Project Need	200	100
2. Project Impact	200	100
3. Project Readiness	200	100
4. Community Support	200	100
5. Match & Leverage	50	-
6. Municipal Equalization Fund (MEF) Score	100	-
7. Achievements	75	-
Total	1,025 points	400 points

1. Project Need: Up to 200 points is possible. A minimum of 100 in this section is required in order to meet threshold. Describe the existing or imminent problem and/or an assessment of the identified local 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.

Community involvement and participation is a fundamental part any community needs-assessment process and is required as part of the CDBG application process (see *Section 5.02* and *Exhibits A, B, & C*).

2. Project Impact: Up to 200 points is possible. A minimum of 100 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. ***For this criterion, it is necessary to create a nexus between the project need and the project outcomes as proposed.*** The significance of the project impact will be scored as compared to other applicants.

3. Project Readiness: Up to 200 points is possible. A minimum of 100 points in this section in order to meet threshold. A description of prior and concurrent efforts related to the overall: planning strategy; work plan for solutions to the problems/needs and impact as defined above; project readiness; and financial and operational capacity of the community. Project readiness will be scored as compared to other applicants.

4. Community Support: Up to 200 points possible. A minimum of 100 points in this section in order to meet threshold. Describe the level of commitment and support from both public and private organizations for the pre-development phase, and the potential support and community involvement for the implementation phase. These will be compared to other applicants.

5. Match & Leverage: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Applicants that commit local funds (including “other” funds and/or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points.

6. MEF: Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. 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 category. Narrative is not required under this section.

7. Achievements: Up to 75 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal, including:

a. Certifications:

1) Applicant is designated as an Economic Development Certified Community, **50 points**.

For a complete list of communities and additional information, visit the DED website at:

<http://opportunity.nebraska.gov/business/why-nebraska/communities/certified-communities>

2) Applicant is designated as a DED Leadership Community, **50 points**.

For a complete list of communities and additional information, visit the DED website at:

<http://opportunity.nebraska.gov/community/community-info/community-improvement/leadership-community>

b. Organizational preparedness, **25 points**. The community has a neighborhood or community/economic development organization that is operational and functioning within the community. To receive points for this criterion, the applicant must attach a letter from the organization that verifies the presence of such organization in the community, and provides a description of how the organization will play an active role throughout the CD efforts. In addition, the letter should describe how the organization, applicant community, and general public collaborate on community betterment projects.

In addition, also note that the achievement section is optional; projects can be funded in communities not awarded points within this section. These points may bolster an application’s score as compared to other applicants, as requested funding amounts often exceed available resources.

For more information, and for a detailed list of selection criteria, see *Section 5.03* of the Application Guidelines.

Phase II (Implementation)

Upon successful completion of the Phase I (Predevelopment) project, each applicant will submit a Phase II application to the Department describing how the community will implement the revitalization strategy it defined and prioritized within Phase I.

Applicants meeting required thresholds for eligibility and review may submit a Phase II application by the required due date. Phase II applications will be reviewed using the below Selection Criteria Matrix. The highest scoring applicants, who also meet all required thresholds, will be awarded. Phase II funds within the CD Program are only reserved for those communities previously selected for Phase I resources.

The Matrix below describes each selection criteria as a numerical score within the CD Program for Phase II (Implementation). The maximum number of points available within any application is 700 points. A minimum score of 350 points is required and each 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.

Selection Criteria Summary	Maximum	Threshold Minimum
1. Project Design	300	150
2. Project Readiness	200	100
3. Community Support	200	100
Subtotal	700 points	350 points
4. <i>On-Site Review</i>	100	50
Total	800 points	400 points

1. Project Design: Up to 300 points is possible. A minimum of 150 points must be earned in this section or the application will not meet fundability threshold. Describe the existing or imminent problem and/or an assessment of the identified local need for the project as derived through processes completed as a part of Phase I pre-development. The project design should include the overall scope of the project, and the revitalization efforts for completion during the implementation of the project as derived all or in part through Phase I activities. The project design will be 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. 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. ***For this criterion, it is necessary to create a nexus between the project need and the project outcomes as proposed.***

2. Project Readiness: Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet fundability threshold. A description of prior and concurrent efforts related to the overall: implementation strategy; work plan for solutions to the problems/needs and impact as defined above; project readiness; and financial capacity and commitment. Project readiness will be scored as compared to other applicants.

3. Community Support: Up to 200 points possible. A minimum of 100 points must be earned in this section or the application will not meet fundability threshold. The level of commitment and support from both public and private organizations for the implementation phase compared to other applicants.

For more information, and for a detailed list of selection criteria, see *Section 5.03* of the Application Guidelines.

Supplemental materials

The following is required information for the application (Phase I and Phase II):

▪ **Attachment 1 – Supplemental LMI documentation**

- Additional CDBG National Objective Information, including a narrative description with documentation of how each CDBG funded activity complies with the national objective of benefit to low- and moderate-income persons. For more information, see *Section 2.01* of the Application Guidelines and CDBG Administration Manual Appendix 1 Guidance for Surveying Low/Moderate Income Status of CDBG Service Area.
- *Initially the applicant provides this information in the Phase I application and again in Phase II, information provided within the Phase II application should supplement the initial information based on the planning pre-development process and outcomes therein.* For Phase II applications, review and supplement the information provided for Phase I application as necessary. This documentation is directly tied to your project’s ability to meet a national objective.

NOTE: Income Surveys for the project area must be completed in order to determine the percentage of LMI persons in the areas selected for the project. This will ensure that the LMI percentages within a project area will be consistent for the pre-development and implementation periods without having to provide potential revisions due to changes in ACS data and percentages.

▪ **Attachment 2 – Target Area (Neighborhood) Parcel Map**

- A block or plot map of the target area with proposed activities clearly illustrated by a key legend. Project area boundaries must be clearly designated, also include a narrative description of the target area.
- Provide information on the map identifying residential and non-residential land uses by lots or parcels. Identify on the map residential, non-residential, and vacant properties within the target area boundaries.

NOTE: if using Census tracts/block groups, designate on map. List by Census tracts/block groups and service area boundaries the service area population, LMI population, and percentage served.

▪ **Attachment 3 – Measurable Benchmarks/Project Performance Outline**

- Identify measurable benchmarks and outline a schedule for project implementation. Typical benchmarks include:
 - Securing administrative and engineering services,
 - Process and completion of environmental review,
 - Land acquisition,
 - Completion of plans/specifications,
 - Securing of any necessary permits and/or approvals,
 - Solicit construction bids (NOTE: do not enter into contracts until receiving environmental clearance and release of funds),

- Estimated construction start and completion dates, etc.

Additional Phase II Implementation supplemental materials

In addition, depending on the nature and scope of project activities proposed in Phase II, the following information may be required for the application and must be provided prior to release of funds, if awarded:

- For **proposed homebuyer activities**, attach program guidelines addressing items listed in the Appendix of the CDBG Administration Manual.
- For **proposed single-family owner occupied and rental housing rehabilitation activities**, attach program guidelines addressing items listed in the Appendix of the CDBG Administration Manual.
- For **commercial rehabilitation**, attach program guidelines.

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 10 of these Application Guidelines.** For more information about required Attachment information, see *Section 5.03* of the Application Guidelines.

The following are required Attachments for the application:

- Attachment 1** – Supplemental LMI documentation
- Attachment 2** – Target Area (Neighborhood) Parcel Map
- Attachment 3** – Measurable Benchmarks/Project Performance Outline

The following required Exhibits include the certification and documentation requirements for the application:

- **Exhibit A:** Notice of Public Hearing (*must include the Proof of Publication or Certificate of Posting and summary of public comments*)
- **Exhibit B:** Authorizing Resolution (*Original or Certified copy*)
- **Exhibit C1:** Statement of Assurances and Certifications
- **Exhibit C2:** Citizen Participation Plan
- **Exhibit D:** Residential Anti-displacement and Relocation Assistance Plan
- **Exhibit E1:** LMI Census Worksheet (*LMI area benefit only*)
- **Exhibit E2:** LMI Random Sample Worksheet (*LMI area benefit only*)
- **Exhibit E3:** LMC Worksheet (*Limited Clientele benefit only*)
- **Exhibit F1:** Slum and Blight Area Basis Documentation (*where appropriate*)
- **Exhibit F2:** Slum and Blight Spot Basis Documentation (*where appropriate*)
- **Exhibit K1:** Waiver of Procurement Process and Narrative
- **Exhibit K2:** 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:** SAM record and clearance documentation
- **Exhibit O1:** Four Factor Analysis Accessing Limited English Proficiency
- **Exhibit O2:** Language Access Plan (*optional at the time of application*)
- **Exhibit P:** Owner Occupied Rehabilitation Activity Guidelines and Reuse Plan †

NOTE: *Exhibit K1* is only required where Applicant will act in its official capacity or has retained the services of a professional and provides documentation to the appointed person(s) or firm(s) for three consecutive years, including the program year for which they are seeking funds. *Exhibit K2* 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 regardless of time of completion. A narrative and supplemental documentation is required. For additional information about procurement and the use of consultants, see *Section 5.02* and *5.05* of the Application Guidelines.

† Exhibit P is only required where project includes OOR activities. If the project involves ROR activities, please consult the Program Representative.

Section C. Application Guidelines

The primary objective of Nebraska's nonentitlement 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 Comprehensive Development (CD) program category. Other guidelines for other CDBG programs can be obtained from DED. **If additional guidance from HUD is received, DED will notify all applicants of any new requirement by Policy Memo.**

Section 1.01 Eligible Applicants

Except as provided in *Section 1.03*, eligible applicants include communities with a population of 5,000 persons or greater and who are not a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

All non-entitlement communities of a population greater than 5,000 will be eligible to apply under Phase I application cycles. Phase II (Implementation Year 1) funding is only reserved for communities who have been selected and successfully completed Phase I (Pre-development) activities.

Communities do not receive a reserved allocation under this program, as was the practice for CR and CIS. CD is a competitive program. Consistent with this inaugural round, future funding years for this program category will include a new round of Phase I applications and awards. Except as provided in *Section 1.03*, all nonentitlement communities of a population greater than 5,000, including those previously receiving a CD award will be eligible to apply under future Phase I application cycles. Phase II will again be reserved for those communities receiving Phase I pre-development.

Section 1.02 Types of Applicants

Eligible applicants may submit one type of application:

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.

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. Occur within its zoning jurisdiction; or
 - b. Involve property acquired by the municipality prior to project implementation through purchase, donation, or a permanent easement.
2. 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. A grantee/sub-grantee agreement that stipulates the decision-making authority, administration, contract compliance, reporting, etc. shall be executed and submitted as an

attachment to the application. In all instances, the grantee has the final responsibility for implementation of the project and must retain environmental and financial responsibility.

3. Eligible applicants may provide CDBG funds to a sub-grantee Neighborhood-based Nonprofit Organization. *NOTE: proof of nonprofit status of the sub-grantee, such as Secretary of State designation, must be included with the municipality's application.*

Section 2.01 Compliance with the CDBG National Objective

The primary national CDBG objective is the development of viable 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.

The primary CDBG National Objective met by the applicant under the CD Program is the benefit to low- to moderate-income persons.

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 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 activities serves an area having a LMI concentration below 51%, the activity may not qualify even if there is reason to believe that it will actually be used primarily by LMI persons.

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).

Special policies for CD Applicants

CD applicants designate **target areas** within the community. In general, the target area consists of residential neighborhood(s) that are low- and moderate-income in character and identified by the community, through formal or informal planning processes, as in need of improvements to facilities, housing, and/or infrastructure.

To determine the percentage of LMI persons in the **target area**, grantees may review data from the most current US Census and should consider conducting an income survey in the designated project target area. Grantees would conduct an income survey of the residents within the project target area if data from the most current Census does not reflect current relative income levels in an area or census boundaries do not coincide with the service area of an activity.

For more information about target area, see *Section 3.02(4)*.

Applicants must use survey methodology as set forth in **Guidance for Survey Methodology to Determine Low/Mod Status of CDBG Service Areas** located at: <http://opportunity.nebraska.gov/community/grants/applications/cdbg-forms>. Where an income survey has been conducted, the applicant must complete and submit Exhibit E1 or Exhibit E2, LMI worksheet, and include a description of the methodology and income guidelines used.

The Department will accept income surveys conducted within the last four years of the current Program Year, provided the survey was conducted in accordance with HUD regulations and is determined to be methodologically sound.

- b. **Limited clientele activities.** These are activities that provide a benefit to a specific group of persons rather than everyone in an area generally. It may benefit particular persons without regard to the area in which they reside, or 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. Applicants will complete and submit Exhibit E3. 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 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 removes 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 by assisting the reconstruction of a public facility or improvement or rehabilitation or a privately-owned nonresidential building that does not qualify under LMI area benefit criteria.

Activities that serve a service or target 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 prevention or elimination of slums and blight:** “Slums” has the 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;
 - 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 which 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 which 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 F1.

- 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 F2.

Qualifying activities under this National Objective either clearly eliminate objectively determinable signs of slums or blight in a defined slum or blighted area or are strictly limited to eliminating specific instances of blight outside such an area. HUD provides a list of four criteria all of which must be met, generally requiring that the area must be:

1. Officially designated and meet the requirements of State statutes;
2. Demonstrate signs of economic disinvestment, indicated by either:
 - a. A substantial number of deteriorated or deteriorating buildings throughout the area or
 - b. As a whole, public improvements throughout the area must be in a general state of deterioration;
3. Documentation is maintained substantiating those conditions considered as a part of designation and re-designated every 10 years; and

4. *The activities assisted with CDBG funds must be limited to those that address one or more of the conditions that contributed to the decline of the area.*

Furthermore, *planning-only* grants can meet this national objective where the plans are for the entire slum or blighted area, or if all elements of the planning are both necessary for and related to an activity that, if implemented, could be shown to meet the slum/blight national objective criteria.

Section 2.02 Compliance with State Community Development Objective

Several activities are eligible for assistance under Section 105(a) of the amended 1974 HCD Act. Although the state may not refuse to distribute CDBG funds for any eligible activity, the state can use criteria that have the effect of increasing the likelihood of certain activities being funded. Under the state program, CDBG funds will be distributed for the eligible activities listed in *Section 3.04* that comply with the state priorities. In addition, all improvements must be either publicly owned or owned by a nonprofit and operated so as to be open to the general public during all normal hours of operation.

Section 2.03 Compliance with State Priorities

The State of Nebraska identified five priorities, which summarize the goals of the five-year Consolidated Plan. The main priorities and objectives within the current Program Year Annual Action Plan (AAP) include:

- Housing Priority Need
- Community Development Priority Need
- Economic Development Priority Need
- Homeless Services Priority Need
- HOPWA Services Priority Need

Through the development of the Consolidated Plan it was determined that there were **three objectives** guiding the proposed activities that include:

- Provide Decent Housing
- Provide a Suitable Living Environment
- Expand Economic Opportunity

Three outcomes were developed to show how programs and activities would benefit a community or the persons within a community served. The three outcomes that will illustrate the benefits of each activity funded by the CDBG, HOME, HTF, ESG, or HOPWA Programs are:

- Improved availability/accessibility
- Improved affordability
- Improved sustainability

PUBLIC WORKS (PW): Single or multiple activities that contribute to the revitalization of neighborhoods or specific target areas as defined in *Section 3.02(4)* which have concentrations of LMI. The target area boundaries must allow for maximum treatment of substandard conditions.

The cost per resident beneficiary for infrastructure (PW eligible activities) cannot exceed \$3,000.

Activities given priority include rehabilitation programs of residential rental and owner-occupied homes, direct homebuyer assistance programs, and payment of reasonable administrative costs related to the execution of housing activities.

Section 3.01 Compliance with State Comprehensive Development Priority

The purpose of the Comprehensive Development (CD) program category is to provide for flexible investments in housing and infrastructure to carry out a comprehensive strategy of revitalization to stabilize, support, and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes. The focus is to foster a greater capacity for local community and economic development initiatives that will carry out an enhanced and stable comprehensive revitalization strategy, principally benefiting low- and moderate-income residents of the community.

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.

The CD Program combines the Comprehensive Revitalization (CR) and Comprehensive Investment & Stabilization (CIS) into a single, competitive program. Any community with a population of 5,000 or greater may apply for CD Phase I. To be eligible for Phase II funding, the applicant must have received a Phase I grant. Activities funded within the CD Program Category include those identified as State CDBG Priorities in the Housing, Public Works, Planning, and Downtown Revitalization program categories.

Each CD project will be completed first through a pre-development planning process (Phase I). Project implementation (Phase II) follows. Phase II funding may be awarded over a two-year period following successful completion of Phase I.

CDBG funds will be allocated for CD Phase II activities only within those communities selected for Phase I. Future funding years for this program category will include a new round of Phase I applications and awards. All eligible applicants, including those who may have received Phase I funding in a prior year, will be eligible to apply under future Phase I application cycles. Phase II will again be reserved for those communities receiving Phase I pre-development. CD is a competitive program category.

Section 3.02 Special Policies for Activities

Special policies affecting activities listed in *Section 3.04* are:

1. **Facilities containing both eligible and ineligible uses:**

A public facility otherwise for assistance under the CDBG program may be provided with CDBG funds even if it part of a multiple use building containing ineligible uses, if:

- a) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and
- b) The grantee can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility. Allowable costs are limited to those attributable to all eligible portion of the building or facility.

2. **Fees for use of facility:**

Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges, such as excessive membership fees, which will have the effect of precluding LMI persons from using the facilities, are not permitted.

3. **Special Assessments:**

The term special assessment means the recovery of the capital costs of a public improvement, such as streets, water, or sewer lines, curbs, and gutters, through a fee or charge levied or filled 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 a public improvement. This term does not relate to taxes on property or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be used to recover capital costs as follows:

- a) Special assessments to recover the CDBG funds may be made only against properties not owned and occupied by LMI persons (such assessments are program income), or
- b) Special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used to pay the special assessment on behalf of all properties owned and occupied by LMI persons; except that CDBG funds need not be used to pay the special assessments on behalf of properties owned and occupied by moderate income persons if the grantee certifies that it does not have sufficient CDBG funds to pay the assessments on behalf of all of the LMI owner-occupant persons (funds collected through such special assessments are not program income).

4. Target area definition:

A target area is contiguous and substantial. Generally, substantial means a concentration of 100 or more families and primarily residential in character. A contiguous target area is generally delineated along block lines and by natural/man-made boundaries, such as streets, highways, railroads, and streams. Alleys and lot lines do not delineate target area boundaries exclusively. The entire community is considered the target area if there are less than 100 facilities. All target areas will be reviewed for direct effects of the assisted activity to LMI persons and other persons inside or outside the target area as well.

The target area for a county is a contiguous and substantial area of concentrated families or the entire unincorporated area. County applications exclude the incorporated areas, unless the county is a lead applicant in a joint application submitted in conformance with *Section 1.03(3)*.

Target area must be appropriately designed to coincide with the project service area. Separate activities may suggest different target areas or a combined target area to be most effective.

Section 3.03 Ineligible Activities

The following activities are ineligible within the CD category. 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 category.

1. General administrative and audit costs that exceed the allowable 10% of non-administrative CDBG funds awarded.
2. Construction management costs, where applicable, that exceed the allowable \$8,000 maximum.
3. Housing management costs, where applicable, that exceed the allowable 10% of non-administrative CDBG funds awarded.
4. Buildings, or portions thereof, used predominantly for the general conduct of government cannot be assisted with CDBG funds. Such buildings are defined as city and village halls, county administrative affairs of the government are conducted. This definition does not include such facilities as neighborhood service

centers or special purpose buildings located in LMI areas that house various non-legislative functions or services provided by government at decentralized locations. This does not exclude, however, the removal of architectural barriers in order to make public buildings accessible to elderly and handicapped persons.

5. General government expenses cannot be paid with CDBG funds, except for those costs that are directly attributable to administration of a local CDBG program and are documented as such. (Eligible cost expenses are detailed in 2 CFR 200).
6. CDBG funds cannot be used to pay for facilities or equipment used for political purposes or to engage in other political activities such as candidate forums, voter transportation, or voter registration. However, a facility originally financed in whole or in part with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.
7. The purchase of equipment with CDBG funds is generally ineligible, except:
 - The purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowance pursuant to 2 CFR 200 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible;
 - Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible; and
 - The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible.

However, CDBG funds may be used to purchase or to pay depreciation or use allowances (in accordance with 2 CFR 200, as applicable) for such items when necessary for use by a municipality or county in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service.

8. ***The general rule is that any expense associated with repairing, operation, or maintaining public facilities, improvements and services is ineligible.*** Specific exceptions to this general rule are operating and maintenance expenses associated with a public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible, even if no other costs of providing such a service are assisted with such funds.

Examples of ineligible operating and maintenance expenses are maintenance and repair of streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for the handicapped, parking and similar public facilities. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and payment of salaries for staff, utility costs, and similar expenses necessary for the operation of public works and facilities.

9. CDBG funds cannot be used for income payments for housing or any other purpose.
 - Examples of ineligible income payments include payments for income maintenance, housing allowances, down payments, and mortgage subsidies. One-time payments made on behalf of persons or families to meet emergency needs such as housing or essential utilities is not an income payment and is eligible.
10. New residential construction activities, or other activities associated with new residential construction, unless associated with “Last Resort Housing” as defined in 49 CFR 24.404 which relates to construction of new housing units as a last resort for providing replacement housing for persons displaced as a results of CDBG-assisted activities.

Section 3.04 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 Section 105(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 respective Nebraska CDBG Program Cateogry. The State has adopted priorities, listed in *Section 3.01*, which increase the likelihood of funding of certain activities. Restrictions are identified in *Sections 3.02* and *3.03* above.

1. The acquisition of real property (including air rights, water rights, and other interests therein) which is:
 - a. Blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth;
 - b. Appropriate for rehabilitation or conservation activities;
 - c. Appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;
 - d. To be used for the provision of public works, facilities, and improvements eligible for assistance under this program; or
 - e. To be used for other public purposes.
2. The acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements.
3. Code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, such activities may be expected to arrest the decline of the area.
4. Clearance, demolition, removal, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for rehabilitation, rehabilitation, or privately owned properties and including the renovation of closed school buildings).
5. Special projects directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly and handicapped persons.

6. Payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for relocation of individuals and families displaced by CDBG activities.
7. Disposition (through sale, lease, donation, or otherwise) of any real property acquired with CDBG funds or its retention for public purposes.
8. Payment of the nonfederal share required in connection with a federal grant in-aid program undertaken as part of activities assisted under this program.
9. Relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate activities.
10. Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities, including: the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in Section 701(e) of the Housing Act of 1954 on the date prior to the enactment of the Housing and Community Development Amendments of 1981.
11. Activities carried out by public or private nonprofit entities, including:
 - a. Acquisition of real property;
 - b. Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government);
 - c. Site improvements; and
 - d. Utilities.

The eligible activities must substantially benefit the LMI-designated service area directly and not only benefit persons on a community-wide scale or only benefit those beyond the designated LMI service area substantially.

The cost per resident beneficiary for infrastructure (PW eligible activities) cannot exceed \$3,000.

Special policies for CD Applicants

Activities completed within the CD project must be located in the LMI neighborhoods selected for the program based on income surveys conducted and include activities that will benefit the LMI persons within the neighborhoods. In addition, activities that are adjacent to the neighborhood sites or provide a clear benefit to the LMI persons in the neighborhoods identified for the program may also be eligible, but will depend on the nature of activities proposed. The proposed activities for the program may be broad in nature and should include both public and private activities. If any activity is not noted within this section, please consult the DED Primary Contact, or another CDBG Program Representative, in order to determine if any other proposed activities are eligible for the program.

Section 4.01 Maximum Grant Amount

The maximum grant amount for CD activities will be \$30,000 for Phase I (Pre-Development) and \$700,000 for Phase II (Implementation) with \$350,000 available during the first year of implementation funding and \$350,000

for the second year of funding. Funding in year one of Phase II does not reserve or otherwise guarantee funding in year two. For the current Program Year, \$2,250,000 are anticipated for the CD category.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Activity 0380 Construction Management. Matching funds are not required. Maximum of \$8,000 in CDBG funds can be used under Activity 0380. Where the maximum is not used, by contract budget amendment these funds can be moved to other project-activities, not general administration activity costs.

Section 4.02 Matching and Leveraged Funds Requirements

Proposed leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood (target area) or directly benefitting a substantial majority of the LMI persons or families residing within the neighborhood (target area) during the grant award period.

Consideration for match and leverage will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. However, the match and/or leverage may be used for projects that demonstrate benefit to the overall comprehensive development of the target area that may not be specific to the project activities proposed for CDBG funding. For example, where the application proposes housing rehabilitation, local matching funds could be injected into a sidewalk or sewer system improvement. Such improvements would ideally be within the same neighborhood as the CD program activities, but could be adjacent or otherwise benefit low- and moderate-income persons. Activities benefiting from matching or leveraged funds, not specific to the CDBG-funded project activities, shall be described in the application and negotiated as a part of the contract special conditions.

The amount of match and leverage must be calculated in dollars.

Funding Phase	Match	Leverage
Phase I (pre-development)	25%	25%
Phase II (implementation)	25%	25%

CD Category Phase I Pre-development

Under Phase I Pre-development, General Administration cannot exceed \$3,000 or 10% of the CDBG award, whichever is greater. All activities, except general administration, require 25% match and 25% leverage.

Phase I Pre-development match example

For Phase I, all activities, except general administration require 3:1 match. Proposed match must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood (target area) or directly benefitting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period.

Because 25% match is required for pre-development, this would mean that for every dollar of project costs, \$0.75 of the project costs could come from CDBG and another \$0.25 would come from local matching funds. This results in a 3 to 1 cost share ratio. For example, a project that is estimated to cost \$36,000 would allow for \$27,000 in CDBG funds for planning activities [$\$36,000 * 75\% = \$27,000$] and \$9,000 would be required as match [$\$36,000 * 25\% = \$9,000$]. In addition, the applicant would be allowed \$3,000 or 10% of the CDBG award, but

not greater than \$3,000 for general administrative costs. General Administrative activity does not require any matching funds.

Given the model described above, it is necessary to determine the total project budget before calculating CDBG and matching funds.

CD Category Phase I Pre-development leverage example

For Phase I, all activities, except general administration, require 25% leverage. For example, a project that is estimated to cost \$36,000 would allow for \$27,000 in CDBG funds for planning activities [$\$36,000 * 75\% = \$27,000$] and \$9,000 would be required as leverage [$\$36,000 * 25\% = \$9,000$].

Proposed leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood (target area) or directly benefitting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period. Consideration for leverage will be given for such sources as public and/or private cash, loans, and program income from prior awards.

Phase I – Pre-development cost-share example*			
Total Project Budget	CDBG Non-Admin Activity Funds	Local cost-share	
		Matching Funds	Leverage
\$36,000	\$27,000	\$9,000	\$9,000

*Does not include General Administration costs (maximum of 10% of total CDBG award).

THE ABOVE INFORMATION RELATES TO THE CD PHASE I AS CARRIED OUT IN 2016 AND PROVIDED FOR REFERENCE ONLY. IT IS ANTICIPATED THAT FUTURE CD CATEGORY CYCLES (PHASE I & II) WILL REQUIRE AN OVERALL COST-SHARE AS DESCRIBED UNDER THE PHASE II LOCAL COST-SHARE EXAMPLE THAT FOLLOWS BELOW.

CD Category Phase II Implementation

Under Phase II Implementation, the applicant would be allowed 10% each of the CDBG award for General Administration and Housing Management (if applicable to project). Up to \$8,000 can be used for Construction Management. General Administration, Construction Management, and Housing Management do not require any matching funds.

Only up to 25% of each community’s award can be used for activities eligible for assistance under the Downtown Revitalization (DTR) Program; provided such activities were identified as needs in the comprehensive needs assessment, and provide a benefit to low- and moderate-income residents of the community. If the CD grantee is awarded funds within the DTR Program, 0% of the CD award may be used for activities eligible for assistance under the DTR except for housing activities.

Grantees with open Comprehensive Development (CD) Phase II, Comprehensive Revitalization (CR), or Comprehensive Investment & Stabilization (CIS) awards cannot apply within the Public Works or Water/Wastewater Program Categories.

CD Category Phase II Implementation local-cost share example

For Phase II, all activities funded with CD resources, except costs associated with administration, require a minimum cost-share where the local match and leverage respectively must be at least 25% of total CDBG project activity costs. Proposed local cost-share should be from CDBG eligible activities directly related to the proposed project. Costs associated with administration are those of general administration, construction management, and housing management. All other costs are considered CDBG project activity costs OR non-administrative costs.

Because 25% match and 25% leverage is required for CD Phase II projects, this would mean that for every dollar spent, \$0.50 of the project costs are allowable from CDBG and \$0.50 from local funds (match and leverage). For example, a project receiving \$350,000 in CDBG and maximum allowable costs for general administration, housing management, and construction management would allow for \$272,000 in CDBG funds for CD project activities and \$68,000 would be required as match and leverage respectively (see table below).

CD Phase II Implementation example							
(A)	(B)	(C)	(D)	(E)	(F)		(G)
Total CDBG Award	0380 Construction Mgmt (\$8k MAX)	0580 Housing Administration (10% MAX)	0181 General Administration (10% MAX)	0180 Total Non-Admin Costs [A-(B+C+D)]	Local cost-share Match [E*25%] Leverage [E*25%]		1000 Total Program Costs [A+F]
\$350,000	\$8,000	\$35,000	\$35,000	\$272,000	\$68,000	\$68,000	\$486,000

Section 4.03 Program Income

Program income for the State's CDBG program is regulated by the provisions of 24 C.F.R. §570.489(e). The text of this regulation should be consulted for definitions and for other guidance concerning program income. Grantees that receive a CDBG award will be governed by the policies written in the Department's *Annual Action Plan* and the (5-year) *Consolidated Plan* section "Program Income". Related policy guidance can be found in the *Nebraska CDBG Program Administration Manual* in Chapter 8 "Program Income". Lastly, Program Income (and Re-Use Plans) are addressed within your CDBG Contract (per project).

The State CDBG objective for program income is to provide adequate financing for local development to ensure Nebraska's economic prosperity and to use all resources in a timely manner. The State is seeking to provide a policy for use of program income that coordinates local and State resources to the fullest extent possible. The State is responsible for ensuring that program income at the State and local levels is used in accordance with applicable federal laws and regulations.

Program Income – Definition:

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 (or "UGLG") 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.

All Program Income is and remains subject to all requirements of the HCDA and CDBG regulations. Program Income which may become a part of a Department approved community CDBG revolving loan fund remains subject to all requirements of the HCDA and CDBG regulations. This means all loans made from such a fund, including second and subsequent generation loans, are, and continue to be, subject to all CDBG requirements.

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 same CDBG requirements.

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;
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;
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;
8. Interest earned on funds held in a revolving loan fund's cash balance interest-bearing account;
9. Income 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.

Section 5.01 Submission of Applications and Selection of Grantees

Phase I projects are to be completed within nine (9) months following award, Phase II projects are to be completed within twenty-four (24) months following award. Eligible local governments may apply individually and receive one grant for Phase (Pre-development) and Phase II (Implementation) during a single Comprehensive Development Category cycle.

Applications must be submitted according to the provisions stated in *Section 1.01* through *Section 1.03*. Applicants applying for Phase I (Pre-development) meeting required thresholds for eligibility and review may submit applications through September 15, 2016 (Phase I is closed for this cycle). Applications will be accepted during this period based on US Postal Service postmark date or date of delivery by other means.

Phase II applications must be submitted after the completion of Phase I activities with an anticipated due date as provided in the table below.

Milestone Summary	Date
Phase I Pre-Development	
Applications Due	September 15, 2016
Awards	December 12, 2016
Phase II Implementation	
Year 1 Applications Due	September 15, 2017
Anticipated Award	January 2018
Year 2 Applications Due	Fall 2018
Anticipated Award	Winter 2018/2019

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

- a. Activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities. See the CDBG National Objective Section for more information.
- b. Applicant has no significant, unresolved audit finding;
- c. Applicant has no legal actions under way that may significantly impact its capacity;
- d. Applicant is following a detailed Citizen Participation Plan (CPP) and Anti-Displacement Plan;
- e. Applicant has adopted an authorizing participation resolution.
- f. 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;
- g. Applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and
- h. 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.

CDBG National Objective

All CD projects funded, and CDBG-funded project activities, must meet a National Objective of the CDBG Program. This includes:

- LMI: Benefitting low- to moderate-income persons (including on an area basis or serving a limited clientele); or,
- SB: Aiding in the prevention or elimination of slums or blight (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 a national objective is ineligible for CDBG resources.

Section 5.02 Special Policies for Thresholds for Selection

Special policies affecting thresholds for selection 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, where applicable, 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 group's 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 which will result in demolition or in the conversion of an 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) An 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:
 - i. Located within the same jurisdiction;
 - ii. 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;
 - iii. Provided in standard condition or brought up to a standard condition; and
 - iv. Designed to remain LMI for ten (10) years.
 - v. 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:
 - i. The activity – the location and number of units by bedroom size;
 - ii. The proposed demolition or conversion schedule;
 - iii. The number and placement of replacement units and their size;
 - iv. The source of funding and time schedule for replacement units; and
 - v. 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 family 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 accordance with *Section 5.05 (3) Competitive Proposals*. A grantee must use procurement procedures that are in conformance with State and local laws and regulations, Federal law and the standards identified for grantees within 2 CFR200.300–345.

Grantees must establish and maintain effective internal control over the CDBG award, providing reasonable assurance that all parties involved are in compliance with federal, state, and local statutes, regulations, and the terms and conditions of the CDBG award.

*Overall, recipients of CDBG funds are responsible for ensuring **competitive procurement** for goods and services, in accordance with established rules and regulations using **full and open competition**. Complete documentation of this process is required.*

In specific instances, Exhibit K may be required at the time of application along with related supplemental documentation. There may be instances where the applicant submits more than one such exhibit, for example when separately procured consulting firms provide general administrative and planning activities.

Applicants shall complete **Exhibit K1** if this process as described in *Section 5.05* will not be used. The applicant must state why and identify and describe the process used for selecting a consultant. This also includes the process used for selecting of the consultant that implements the project. **Exhibit K2** 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.

Supplemental materials must be provided that clearly demonstrate the applicant community carried out the procurement process, this includes documentation that a reasonable number of appropriate firms were contacted directly and in a meaningful manner. Documentation must also include a narrative indicating the method of procurement, reasoning for selecting that method, how and by whom the procurement process was carried out, and any other pertinent information about the procurement process, including a description of how the applicant made meaningful contact to a reasonable number of appropriate firms (e.g. five). As an example, meaningful contact may involve an applicant sending the request for proposal directly to firms known to complete the scope of work and follow up with a phone call or email that confirms receipt of the request.

WARNING: With the exception of contracts for general administration services, DO NOT execute any contract for goods or services prior to the Department issuing a written Notice of Release of Funds and Environmental Clearance.

Section 5.03 Category Priority Point System for Selection

Applicants 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, line item budget, preliminary schedule, and how the project fulfills the selected National Objective information.

Applicants are required to submit a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria for scoring of applications, as such, it is of vital importance to the ability of DED to review and score an application. This summary should include a how the project proposes to address one primary objective and outcome as described in *Section 2.03* of the Application Guidelines. *For example, the proposed housing study will provide the opportunity for improved affordability of decent housing in Anytown. Or, the proposed neighborhood revitalization activities involving owner-occupied housing rehabilitation will provide improved affordability of decent housing in Anytown.*

Eligible applicants may submit a Phase I application by the required due date. Phase I applications will be reviewed using the below Selection Criteria Matrix. The highest scoring applicants, who also meet all required thresholds, will be awarded CDBG funds for Phase I pre-development. Phase II funds within the CD program category are only reserved for those communities selected for Phase I resources.

Phase I (Pre-development)

The Matrix below describes each selection criteria as a numerical score for the CD Phase I application. 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.

See following page for Selection Criteria Detailed Matrix.

Selection Criteria Detailed Matrix – CDBG CD Category: Phase I Pre-development		
Item	Criteria	Points Possible
1. Project Need (threshold: 100 pts)		200
	Overall Purpose of Project	100
	Capacity and commitment	50
	Past efforts to resolve the problem	50
2. Project Impact (threshold: 100 pts)		200
	Goals and objectives	100
	Community, especially LMI benefit	50
	Accomplishment in measurable units	25
	Formal study recommendation	25
3. Project Readiness (threshold: 100)		200
4. Community Support (threshold: 100)		200
5. Match & Leverage		50
6. Municipal Equalization Fund (MEF) Score		100
7. Achievements		75
	Economic Development Certified	50
	DED Leadership Community	50
	Organizational preparedness	25
Total points (minimum threshold 400 pts)		1,025

1. Project Need: Up to 200 points is possible. A minimum of 100 in this section is required in order to meet threshold. Describe the existing or imminent problem and/or an assessment of the identified local 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, based on past efforts to resolve the problem and meet community needs.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-200—well-defined, above average

The application narrative shall be scored for clear and concise explanations of:

- (a) The overall purpose of the project and illustration of the severity of identified problems in community;
- (b) Demonstration of the capacity and commitment to successfully implement changes or project as a result of the planning process;

(c) Discussion of past efforts (planning or otherwise) to resolve the problem and meet community needs.

A strong narrative may identify or include 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) and/or other analysis. This should include an explanation of the overall purpose on the project application and information that illustrates the severity of the community's problems.

Community involvement and participation is a fundamental part of any successful project and is required as part of the CDBG application process (see *Section 5.02(c)* 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 respond to the proposed project. Existing capital improvement, comprehensive, economic development, housing, or other community development 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 need 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 200 points is possible. A minimum of 100 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. ***For this criterion, it is necessary to create a nexus between the project need and the project outcomes as proposed.*** The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-200—well defined, above average

The application narrative shall be scored for clear and concise description of:

(a) Clearly defined goals and objectives to address the identified community problems;

(b) How the completed planning activities will benefit the community, especially low- and moderate-income and special needs persons;

(c) 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;

(d) Indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

A strong narrative in this section will provide a clear nexus between the problem statement provided under Project Need and outcome described under Project Impact.

3. Project Readiness: Up to 200 points is possible. A minimum of 100 points in this section in order to meet threshold. A description of prior and concurrent efforts related to the overall: planning strategy and/or work plan for solutions to the problems/needs and impact as defined in the above sections; project readiness; and financial and operational capacity of the community. Project readiness will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average
Lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the project, no clear evidence of commitment to proceed with implementation upon completion of Phase I pre-development.
- 80-150—reasonably defined, average compared to other applicants
Local capacity demonstrated through past projects, past neighborhood and/or community improvement efforts, citizen participation, and evidence of a commitment to proceed with implementation of neighborhood revitalization plan, demonstrated by organized interest groups and participation of community betterment and/or neighborhood organizations.
- 155-200—well defined, above average
Significant local capacity demonstrated and strong evidence of a commitment to proceed with implementation of neighborhood revitalization plan, upon completion of Phase I.

The application narrative shall be scored for detailed description of the planning activities and methodology (e.g. work plan) for achieving the goals and objectives as outlined under the Project Impact section, this narrative should list and describe the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity;

4. Community Support: Up to 200 points possible. A minimum of 100 points in this section in order to meet threshold. Describe the level of commitment and support from both public and private organizations for the pre-development phase, and the potential support and community involvement for the implementation phase. These will be compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average
No evidence, or very little evidence from the community that it will commit resources and support neighborhood revitalization efforts.
- 80-150—reasonably defined, average compared to other applicants
Some evidence from the community that it will commit resources and support neighborhood revitalization efforts. This may include letters of support; letters of intent from community members, businesses, and/or partners to commit resources; financial commitments from businesses and partners; or other such evidence of support for the project from the general and/or business community.
- 155-200—well defined, above average

Significant evidence from the community that it will commit resources and support neighborhood revitalization efforts.

The application narrative shall be scored for detailed description of the citizen participation process, specifically the outline and scheduling (timeline) of how broad-based community involvement/awareness has been and will be included in the process for the project.

5. Match & Leverage: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Applicants that commit local funds (including “other” funds and/or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points in this criterion. The table below further describes the points available.

Matching Funds Exceeding	Points Available
10% or greater	50
5-9.99%	25
3-4.99%	10
Less than 3%	0

6. MEF: Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. 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 category. Narrative is not required under this section.

7. Achievements: Up to 75 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal, including:

a. Certifications:

1) Applicant is designated as an Economic Development Certified Community, **50 points**. For a complete list of communities and additional information, visit the DED website at: <http://opportunity.nebraska.gov/business/why-nebraska/communities/certified-communities>

2) Applicant is designated as a DED Leadership Community, **50 points**. For a complete list of communities and additional information, visit the DED website at: <http://opportunity.nebraska.gov/community/community-info/community-improvement/leadership-community>

b. Organizational preparedness, **25 points**. The community has a neighborhood or community/economic development organization that is operational and functioning within the community. To receive points for this criterion, the applicant must attach a letter from the organization that verifies the presence of such organization in the community, and provides a description of how the organization will play an active role throughout the CD efforts. In addition, the letter should describe how the organization, applicant community, and general public collaborate on community betterment projects.

In addition, also note that the achievements section is optional; projects can be funded in communities not awarded points within this section. These points may bolster an application’s score as compared to other applicants, as requested funding amounts often exceed available resources.

Phase II (Implementation)

Upon successful completion of the Phase I (Predevelopment) project, each applicant will submit a Phase II application to the Department describing how the community will implement the revitalization strategy it defined and prioritized within Phase I.

Applicants meeting required thresholds for eligibility and review may submit a Phase II application by the required due date. Phase II applications will be reviewed using the below Selection Criteria Matrix. The highest scoring applicants, who also meet all required thresholds, will be awarded. Phase II funds within the CD Program are only reserved for those communities previously selected for Phase I resources.

The Matrix below describes each selection criteria as a numerical score within the CD Program for Phase II (Implementation). The maximum number of points available within any application is 700 points. A minimum score of 350 points is required and each 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.

Selection Criteria Detailed Matrix – CDBG CD Category: Phase II Implementation		
Item	Criteria	Points Possible
1. Project Design (threshold: 150 pts)		300
	Overall Purpose of Project (Need)	125
	Project Impact	125
	Past efforts to resolve the problem	50
2. Project Readiness (threshold: 100)		200
3. Community Support (threshold: 100)		200
Subtotal (threshold: 350)		700
4. On-site Review (threshold: 50 points)		100
Total points (minimum threshold 400 pts)		800

1. Project Design: Up to 300 points is possible. A minimum of 150 points must be earned in this section or the application will not meet fundability threshold. Describe the existing or imminent problem and/or an assessment of the identified local need for the project as derived through processes completed as a part of Phase I pre-development. The project design should include the overall scope of the project, and the revitalization efforts for completion during the implementation of the project as derived all or in part through Phase I activities. The project design will be 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. 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. **For this criterion, it is necessary to create a nexus between the project need and the project outcomes as proposed.**

The application narrative shall be scored for clear and concise explanations of:

- (a) The current need for the proposed project based on existing, identifiable problems and conditions;
- (b) Provide clearly defined goals and objectives to address the identified community problems;
- (c) The proposed project outcome in measurable units and the degree to which these accomplishments within project implementation will reduce or eliminate the need(s), and any plans to eliminate what needs remain;
- (d) 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; and
- (e) Identification and explanation of any past efforts to resolve the problem(s).

Points in this section include:

- 0–100 points—inadequately defined, below average
- 101–150—Limited project design is only defined.
- 151–200—reasonably defined, average compared to other applicants
- 201–300—well defined, above average

A strong narrative in this section will provide a clear nexus between the problem statement provided under Project Design and outcome described under Project Impact.

Community involvement and participation is a fundamental part of any successful project and is required as part of the CDBG application process (see *Section 5.02(c)* 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 respond to the proposed project. Existing capital improvement, comprehensive, economic development, housing, or other community development 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 need 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 Readiness: Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet fundability threshold. A description of prior and concurrent efforts related to the overall: implementation strategy; work plan for solutions to the problems/needs and impact as defined above; project readiness; and financial capacity and commitment. Project readiness will be scored as compared to other applicants.

Points in this section include:

- 0–75 points— inadequately defined, below average

Lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the physical project, no evidence of commitment to proceed with a physical project after Phase I predevelopment is complete.

- 76–150— reasonably defined, average compared to other applicants
Local capacity is demonstrated through past projects, past neighborhood, and community improvement efforts, citizen participation, and strong evidence of a commitment to proceed with a physical project after the successful completion of a Phase I CD pre-development plan.
- 151–200— well defined, above average
Significant local capacity demonstrated through past improvement efforts, citizen participation, evidence of commitment to proceed with a physical project after the successful completion of a Phase I predevelopment plan, and strong evidence of demonstrated organized groups, organizations, efforts dedicated to neighborhood revitalization.

3. Community Support: Up to 200 points possible. A minimum of 100 points must be earned in this section or the application will not meet fundability threshold. The level of commitment and support from both public and private organizations for the implementation phase compared to other applicants.

Points in this section include:

- 0–75 points— inadequately defined, below average
No evidence, or very little evidence from the community that it will commit resources and support neighborhood revitalization efforts.
- 76–150— reasonably defined, average compared to other applicants
Some evidence from the community that it will commit resources and support neighborhood revitalization efforts, including: letters of support, financial commitments from partners, letters of intent from partners to commit resources to the project, and any other evidence that identifies the support of the community for the neighborhood revitalization efforts.
- 151–200— well defined, above average
Significant evidence from the community that it will commit resources and support neighborhood revitalization efforts.

A strong narrative demonstrating significant support would include showing a significant number of partners and resources compared to other applicants, including: letters of support, financial commitments from partners, letters of intent from partners to commit resources to the project, and any other evidence that identifies the support of the community for the neighborhood revitalization efforts.

On-Site Review

Upon application submittal to the Department, all Phase II applications will be reviewed for the abovementioned criteria. Those applicants who have identified a reasonable proposal and project design will be invited for a site review. Site reviews will be conducted by DED staff.

Project design, need, and impact will be evaluated based on an onsite review conducted by the CD Review Team. This review will compare the proposed project to other application proposals.

Supplemental materials

The following is required information for the application (Phase I and Phase II):

▪ **Attachment 1 – Supplemental LMI documentation**

- Additional CDBG National Objective Information, including a narrative description with documentation of how each CDBG funded activity complies with the national objective of benefit to low- and moderate-income persons. For more information, see *Section 2.01* of the Application Guidelines and CDBG Administration Manual Appendix 1 Guidance for Surveying Low/Moderate Income Status of CDBG Service Area.
- *Initially the applicant provides this information in the Phase I application and again in Phase II, information provided within the Phase II application should supplement the initial information based on the planning pre-development process and outcomes therein.* For Phase II applications, review and supplement the information provided for Phase I application as necessary. This documentation is directly tied to your project’s ability to meet a national objective.

NOTE: Income Surveys for the project area must be completed in order to determine the percentage of LMI persons in the areas selected for the project. This will ensure that the LMI percentages within a project area will be consistent for the pre-development and implementation periods without having to provide potential revisions due to changes in ACS data and percentages.

▪ **Attachment 2 – Target Area (Neighborhood) Parcel Map**

- A block or plot map of the target area with proposed activities clearly illustrated by a key legend. Project area boundaries must be clearly designated, also include a narrative description of the target area.
- Provide information on the map identifying residential and non-residential land uses by lots or parcels. Identify on the map residential, non-residential, and vacant properties within the target area boundaries.

NOTE: if using Census tracts/block groups, designate on map. List by Census tracts/block groups and service area boundaries the service area population, LMI population, and percentage served.

▪ **Attachment 3 – Measurable Benchmarks/Project Performance Outline**

- Identify measurable benchmarks and outline a schedule for project implementation. Typical benchmarks include:
 - Securing administrative and engineering services,
 - Process and completion of environmental review,
 - Land acquisition,
 - Completion of plans/specifications,
 - Securing of any necessary permits and/or approvals,
 - Solicit construction bids (NOTE: do not enter into contracts until receiving environmental clearance and release of funds),
 - Estimated construction start and completion dates, etc.

Phase II Implementation supplemental materials

In addition, depending on the nature and scope of project activities proposed in Phase II, the following information may be required for the application and must be provided prior to release of funds, if awarded:

- For **proposed homebuyer activities**, attach program guidelines addressing items listed in the Appendix of the CDBG Administration Manual.
- For **proposed single-family owner occupied and rental housing rehabilitation activities**, attach program guidelines addressing items listed in the Appendix of the CDBG Administration Manual.
- For **commercial rehabilitation**, attach program guidelines.

Section 5.04 Use of Consultants

CDBG funds cannot be used to fund application preparation and Release of Funds must be received before engineering/architectural services or other project activities are eligible for reimbursement.

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

1. Work requires special professional services, such as accounting, architectural, engineering, legal, or planning services;
2. Local staff is inexperienced in the area of grant writing or project administration, or is already committed to other ongoing activities; or,
3. 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 administrator. The federal requirements do not apply to communities selecting consultants to assist with the preparation of an application; however, these costs are not eligible for reimbursement.

The **procurement process** for consultant selection must outlined in detail in accordance with *Section 5.04 (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 K1 if this process as described in *Section 5.04 (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 or electing 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 K2 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. Additional information is available within *Section 5.02*.

Several points should be considered before selecting any consultant, engineer, architect, planner, housing management administrator, or other professional to help assure that the community will receive satisfactory service. Cost-plus contracts are prohibited.

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 CDBG funds, such as preparation of the application or preliminary engineering studies, not eligible for reimbursement. However, loss-leader arrangements violate federal regulations which 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:

- a) 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;
- b) When a community wants to conduct one procurement process to cover both grant preparation and grant administration; and
- c) When a community wants to conduct one procurement process to cover both planning grant application preparation and planning grant implementation (contingent upon CDBG award).

On occasion local officials decide to procure the services of an engineer to assist them with both preparation of preliminary engineering plans and project engineering, in the event their community is selected for grant award. Likewise, some communities want to conduct one procurement process to cover both grant preparation and grant administration. 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 CDBG funds. Any such contract also would have to have the prior approval of the Department of Economic Development to assure that federal procurement procedures complied with, and that all required federal clauses are included in the contract. 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, 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.

Competitive proposals are advertised and requested from several qualified sources.

HUD regulations for competitive proposals require the following:

- (1) Requests for proposals (RFP’s) or qualifications (RFQ’s) must be publicized and identify all evaluation factors and their relative importance.

For example: RFP evaluation criteria may include 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); and the nature and extent of services proposed versus estimated fees (10 points); etc.

In general, grantees should use RFP process for professional planning services.

- (2) Proposals must be solicited from an adequate number of qualified sources (at least three);

- (3) Grantees and sub-grantees must have a method for conducting technical evaluations of the proposals received according to the criteria specified in the RFP and for selecting awardees;
- (4) Awards must be made to the responsible firm whose proposal is most advantageous to the program, with price and other specified factors considered; and
- (5) Grantees may use competitive proposal procedures for qualification-based procurement of architectural/engineering (A/E) professional services, whereby competitor's 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 Architectural or Engineering services.

DED recommends sending RFP's 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 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. Competitive proposals refer 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?

In addition, 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 managing a grant.

Sometimes the firm you are interested in will be a new firm with few if any client references. New, small firms can 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 with preparing a grant application or 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 5.05 Requirements for Submitting Applications

To apply for funds under these guidelines, an eligible applicant must complete the APPLICATION FOR COMPREHENSIVE DEVELOPMENT 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 Attachments and Exhibits, Part VI Additional Attachments (where applicable)*. 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 5.06 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:

1. **Records**

All information on grant-assisted activities must be retained for ten (10) 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. **Davis-Bacon Act**

This and related acts require that prevailing wage rates be paid to all employees working on a construction contract of \$2,000 or more.

4. **Acquisition/Relocation**

Regulations for acquisition and relocation emphasize anti-displacement and should be discussed with the Department URA representative at the beginning of the project. The Uniform Relocation and Real Properties Acquisition Act (URA) apply to all federally assisted activities that involve the acquisition of real property or the displacement of persons. If CDBG funds are used in any part of the project, the URA would govern the acquisition of real property, including easements, and any resulting displacement, even if local funds are used to pay the acquisition costs. The URA requirement may include formal notification of the affected property owner(s),

preparation of an appraisal to determine fair market value, and a written purchase offer based on an amount determined to be fair market value. The only exception is a voluntary transaction that meets certain criteria.

Regulations emphasize anti-displacement. However, if displacement is necessary, relocation assistance must be provided to persons displaced by rehabilitation, acquisition, demolition, or the conversion of units for use other than low- to moderate-income dwelling units. Grantees will be required to replace every occupied unit that is demolished or converted with CDBG funds on a one-for-one basis within a three-year period.

5. Regulations Emphasize Anti-Displacement

However, if displacement is necessary, relocation assistance must be provided to persons displaced by rehabilitation, acquisition, demolition, or the conversion of units for use other than low- to moderate-income dwelling units. Grantees will be required to replace every occupied unit that is demolished or converted with CDBG funds on a one-for-one basis within a three-year period.

6. Procurement

Open and free competition on solicitation of professional services bidding is also required in most cases. If the applicant intends to use CDBG funds to pay all or a portion of fees, or intends to claim fees as match, then CDBG procurement guidelines must be followed. Grantees must establish and maintain effective internal controls over the CDBG award, providing reasonable assurance that all parties involved are compliant with federal, state, and local statutes, regulations, and the terms and conditions of the CDBG award. For more information, see *Section 5.05* of the Application Guidelines.

7. Environmental Review

Grant recipients are required to obtain appropriate environmental clearance for their projects and to maintain an Environmental Review record for each project. Depending on the determination of level of review, the review process may involve consultation with various agencies, groups and individuals regarding: historic properties, floodplain management, wetland protection, noise control, air quality, explosive and flammable operations, airport hazards, water quality, threatened and endangered species, wild and scenic rivers, farmland protection, environmental justice, contamination and toxic substances. The environmental review and Request for Release of Funds/Certification, if required, must be completed before the grantee, or any participant in the development process, incur costs against the project.

8. Special Assessments

Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments to recover the non-CDBG portion may be made provided CDBG funds are used “to pay” the special assessment on behalf of all properties owned and occupied by low- and moderate-income persons. For more information see *Section 3.02 (3)*.

9. Equal Opportunity, Fair Housing, and Handicap Accessibility

Laws require that CDBG grantees administer their projects 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.

10. 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

(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. 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 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.

11. Continued Use

All community facilities assisted with CDBG funds must remain in the same use for five year after grant closeout. For more information, see 24 CFR 570.489.

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 benefitting seniors, a senior citizen is a person aged 62 or older.

Annual Action Plan

The Annual Action Plan updates the Nebraska Housing and Community Development Consolidated Plan, a five-year plan addressing the state's housing and community development needs.

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.

Beneficiary

The ultimate consumer of HUD programs who receives benefits from a HUD Recipient or Sub-recipient.

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.

Comprehensive Strategic Approach

A comprehensive strategic approach is one that effectively utilizes community needs assessments, stakeholder participation, and planning processes. A comprehensive approach should include: significant needs identification, adopted or updated Comprehensive Plan, housing study, and capital improvement plan.

Consolidated Plan

The Nebraska Five-Year Consolidated Plan is a comprehensive planning document identifying the state's needs in housing, homelessness, community and economic development. The State is required by the U.S. Department of Housing and Urban Development (HUD) to complete a Consolidated Plan every five years to receive federal funds for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), National Housing Trust Fund (HTF), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grant (ESG) programs. Two other State funded programs are included in the plan, Homeless Shelter Assistance Trust Fund (HSATF) and Nebraska Affordable Housing Trust Fund (NAHTF).

Department or DED

Nebraska Department of Economic Development. The state agency that administers the federal Community Development Block Grant State Program for communities under 50,000 population with 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 activities 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

A family is defined as all persons living in the same household who are related by birth, marriage, or adoption. An individual living in a housing unit that contains no other person(s) related to him/her is considered to be a one-person for this purpose. A dependent child who is living outside of the home (e.g. students living in a dormitory or other student housing), is considered for these purposes to be part of the family upon which he/she is dependent, even though he/she is living in another housing unit.

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.

Flood and Drainage

Facilities designed to influence or affect the flow in a natural water course (such as a river, stream, lake, or intermittent stream) and excludes storm sewers.

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 gross wages and salaries, bonuses, tips, interest, dividends, social security, other retirement, supplemental security income, welfare, disability, VA payments, unemployment, alimony, other. 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 as net after expenses, as reported to the Internal Revenue Service.

Language Assistance Plan (LAP)

A written implementation plan that addresses identified needs of the LEP persons served.

Leverage

Funds that are committed to the project activities exceeding the required match. Leverage may include public and private funds, or in-kind services, such as materials, labor, or other items that are directly related to the project. Leveraged funds may be considered only if they are spent during the project period. (Date of Release of funds through the project completion date). The amount of leverage must be given in dollars.

Limited English Proficient Person (LEP)

Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English because of national origin.

Low- and Moderate-Income

For CDBG, a person is considered to be of low income only if he or she is a member of a household whose income would qualify as "very low income" under the Section 8 Housing Assistance Payments program. Generally, these Section 8 limits are based on 50% of area median. Similarly, CDBG moderate income relies on Section 8 "lower income" limits, which are generally tied to 80% of area median.

Low- and Moderate-Income Person

A member of a family having an income as described under the Low- and Moderate-Income definition.

Lower-Income Person

A member of a family having an income equal or less than the Section 8 “lower income” limit established by HUD (80% or less of the area median). Unrelated individuals shall be considered as one-person families for this purpose.

Municipal Equalization Fund (MEF) score

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 a 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 US Census Bureau.

Neighborhood

A geographic location with 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.

Neighborhood-based nonprofit organization

An association or corporation, duly organized to promote and undertake community development activities on a not-for-profit basis within a neighborhood. To be considered neighborhood-based, the majority of the organization’s membership, clientele, or governing body are residents of the neighborhood where activities assisted with CDBG funds are to be carried out.

Non-administrative costs

Costs associated with administration are those of general administration, construction management, and housing management. All other costs are considered CDBG project activity costs OR non-administrative costs.

One-page Project Summary

Applicants are required to submit a one-page project summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria for scoring of applications. This summary should include a how the project proposes to address at least one objective and one outcome as described in *Section 2.03*.

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 onetime 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 benefitting properties. For additional information see, *Section 3.02 (3)*.

Target Area

A defined geographic area within which an applicant has determined that, based on community plans or other studies, a need for community development activities exists. A target area may be a neighborhood of 100 or more families in a community or an entire community. The target area must encompass the entire area served by the project. For additional information, see *Section 3.02 (4)*.

Units of Accomplishment

Awarded projects must report on accomplishments specific to project outcomes. There are seven accomplishment types, the number of accomplishments will depend on the project activities to be undertaken. These types include People, Households, Businesses, Organizations, Housing Units, Public Facilities, and Jobs. For reporting purposes, at the time of application, the number of accomplishments is considered “proposed” and upon completion of project activities, the accomplishments are considered “actual”.

Vital Document

Any document that is critical for ensuring meaningful access to the Recipient’s major activities and programs by Beneficiaries generally and LEP persons specifically.