

CHAPTER 6

Planning

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

The purpose of the Planning category is to provide communities the opportunity to solve problems and meet citizen needs through an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out strategic processes that provide the framework for successful projects directing resources toward State priorities.

Successful efforts shall involve strategic planning, implementation, monitoring, and evaluation. The outcome of a successful planning process will ultimately provide information and data that will be used in future planning and implementation efforts. Successful projects arise from effective efforts to involve stakeholders and gain their support throughout the process.

The maximum grant amount will be \$40,000 per community or unincorporated county. The maximum grant amount will be \$60,000 for multi-community, countywide, or regional planning projects. Planning category applications that are funded will receive CDBG funds. Applicants are not required to submit an application for the maximum grant amount. Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning category. A succinct one-page project summary is required as a part of the application.

For the current Program Year, \$500,000 in CDBG funds are anticipated for Planning category eligible activities. Applicants seeking CDBG funds for downtown revitalization *planning* activities will now apply under the Planning category.

NOTE: The restructuring of the DTR program in 2017 has made it possible for a community to apply for downtown revitalization implementation funding without the prior requirements that a Phase I DTR project have received funding in the community.

FOR MORE INFORMATION

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

Abigail Anderson
Nebraska Department of Economic Development
Housing and Community Development Division
PO Box 94666, Lincoln NE 68509-4666
Phone: 1 (402) 471-3775 (or) 1 (800) 426-6505
Fax: (402) 471-8405
abigail.anderson@nebraska.gov
<http://opportunity.nebraska.gov/community>

1. ELIGIBLE APPLICANTS

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

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.”

The following activities are eligible within the Planning category and generally include studies, analysis, data gathering, identification of implementation actions, and preparation of plans. Where any activity is not found among the list below, please consult the Program Representative.

- Community strategic planning; such as:
 - Comprehensive plans,
 - Downtown revitalization,
 - See *Section 1.03(6)* of the Application Guidelines
 - Neighborhood revitalization,
 - Environmental and/or sustainability,
 - Brownfield revitalization,
 - Needs assessment,
 - Citizen participation, and
 - Fiscal management.
- Analysis of impediments (AI) or barriers to fair housing choice;
- Functional, analytical or special studies for:
 - Housing;
 - Infrastructure;
 - Community or regional economic development;
 - Land use, zoning, or other related regulatory measures;
 - Feasibility;
 - Main street improvement district;
 - Energy conservation; and
 - Transportation.
- Environmental, heritage tourism, and historic preservation studies.
- Reasonable administrative and audit costs.

Review and scoring of project applications will be prioritized and preference given to those projects that apply and incorporate a 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.

Overall, projects that lead to a significant and sustained impact on the community are likely to score highly. These projects will address the long-term comprehensive vision for the community and not just focus on a singular problem that might be addressed for the short-term.

For more information about eligible activities, see *Section 3.01* of the Application Guidelines. Restrictions are identified in *Section 3.02*.

3. APPLICATION DUE DATES AND PROCESS

Applications are prepared at the applicants’ expense and costs are not reimbursable. DED will award grants under the Planning category to an eligible local government to carry out local and regional planning activities meeting the national and State CDBG objectives. Planning funds shall be reserved and awarded in accordance with the application cycles.

Planning applications must be submitted per the current Program Year’s Planning category Application Guidelines and meet required thresholds for selection. Applications may be accepted during two cycles. The first cycle is due on August 30. Potential applicants are strongly encouraged to submit their applications in the first cycle. Where Planning category funds remain after the first cycle awards, a second cycle may be held at DED’s discretion. If held, this second cycle will be an open cycle and applications will be accepted beginning October 15, and until Planning category funds are depleted. For more information, see *Section 5.01* and *5.02* of the Application Guidelines.

Applications will be reviewed by DED on a competitive basis according to the selection criteria established in *Section 5.03* of the Application Guidelines. Other state or federal agencies may be invited to review and comment on applications, as appropriate. The highest scoring applicants, who also meet all required thresholds, may be recommended for award.

Applications recommended for award through these processes will be presented to DED's Director for a grant award (i.e. Notice of Approval). DED will send a formal Notice of Approval Letter to the applicant community upon approval of the recommendation. A letter of non-selection will be issued to those applicants not recommended for award.

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

Milestone Summary	Dates
Planning applications due (Cycle 1)	August 30
Anticipated Award	September
Planning applications due (Cycle 2, if available)	Beginning October 15

For more information, see *Section 5.01* and *5.04* of the Application Guidelines.

4. FUNDABILITY THRESHOLD REQUIREMENTS

Projects are to be completed within twenty-four (24) months following award. Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning category. A complete listing of threshold requirements that must be met by the local government applicant in order to be eligible

for Program resources is found under *Section 5.01 and 5.02* of the Application Guidelines. These requirements include:

Multi-jurisdictional applications

The local government applicant completing a multi-jurisdictional application must also be a direct participant in the study/project.

Additional threshold requirements that are specific to the Planning category for multi-jurisdictional applications include:

- Applicant for a multi-jurisdictional application is a direct participant in the study/project, and cannot serve only as a pass through for CDBG funds or only as the general administrator.
- Multi-jurisdictional applicants are involved with the same project addressing a common need. The product can, however, be packaged to meet individual municipal or county needs. There must be a product for the regional study and each municipality or county may have its own product that addresses local recommendations, strategies, or needs.
- Applicant meets the minimum selection criteria as noted in *Section 5.03* of the Application Guidelines.

Applications seeking joint/multi-community funding may be subject to additional requirements; applicants for such projects should contact the program representative for technical assistance.

CDBG National Objective

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

- Benefitting low- to moderate-income persons (including on an area basis, housing, or serving a limited clientele); or
- Aiding in the prevention or elimination of slums or blight (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 funds.

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

Planning Category – Key maximums and requirements	
Individual Community	\$40,000
Multi-jurisdictional/Countywide	\$60,000
Local matching funds	25% of total non-admin costs
General Administration	10% of total non-admin costs or \$3,000

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

5. POST AWARD REQUIREMENTS

Each eligible application must also comply with any necessary post-award requirements. These requirements may include: recordkeeping, Davis-Bacon compliance, required audit information, etc. For more information, and a complete list of post award requirements, see *Section 5.06* of the Application Guidelines.

6. 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, and readiness.

The Matrix below describes each selection criteria as a numerical score within the Planning Category. The maximum number of points available within any application is 1,000 points. A minimum score of 450 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. Preference will be given to projects that demonstrate a comprehensive approach.

Selection Criteria	Maximum	Threshold Minimum
1. Project Need (Problem Statement)	250	150
2. Project Impact	250	150
3. Project Readiness (Local Effort)	250	150
4. Matching Funds	50	-
5. LMI Benefit	50	-
6. Municipal Equalization Fund (MEF) Score	100	-
7. Bonus Points	50	-
Total	1,000 points	450 points

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 exhibit information 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 or in cases where 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.
- Recommend 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 Planning category (PP) 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 (*See Exhibits Chapter for more information*)
- Part VI. Additional Attachments (*if applicable, supplemental information provided by applicant*)

Table of Contents & Checklist

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

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

PROJECT INFORMATION	PAGE NUMBER
Part I: General Information	
Part II: Funding Summary.....	
Part III: Project Budget	
Part IV Project Description & Scoring Criteria	
One-Page Project Summary	
Item 1 – Project Need	
Item 2 – Project Impact	
Item 3 – Project Readiness (Local Effort).....	
Item 4 – Match.....	
Item 5 – National Objective Impact (LMI Benefit)	
Item 6 – Municipal Equalization Fund (MEF) Score	
Item 7 – Bonus Points (Sustainability)	
Part V: REQUIRED EXHIBITS	
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 only</i>)	
E2. LMI Random Sample Worksheet (<i>LMI Area 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 (<i>SBA Spot Basis only</i>)	

- K1. Waiver of Procurement Process (narrative required)*
- K2. Procurement Process Completed Prior to Application (narrative required)**
- 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 at the time of application)***

*Only required when Applicant will act in its official capacity or has properly 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.

**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 *Section 5.02* and *5.05* of the Application Guidelines.

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

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

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

Part I. General Information

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

1. **Applicant identification:** Enter the name, mailing address, telephone, and fax number of the local government that is the applicant in an individual application or the lead applicant in a joint application. Enter the name and title 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 impairments, the TTY number is 866-814-7818. Enter the e-mail address for the local unit of government or local contact.
2. **Person Preparing Application:** Enter the name 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. Check the appropriate application preparer status box. For more information regarding use of consultants, see *Section 5.05* of the Application Guidelines.
3. **Activity Type:** Check the Planning box under which funds are being requested.
4. **Funding Sources:** Enter the dollar amounts of CDBG funds requested for this project. Enter the amount of all other funds identified in the application **that you are committing** to this project. **ROUND AMOUNTS TO THE NEAREST DOLLAR.** ("Matching Funds" are those project funds required in *Section 4.02*. Be certain that the figures are correctly added and are the same as provided on the "Total" line for each funding sources in *Part II*.)
5. **Application Type:** Check the appropriate application type box under which funds are being requested. *Applications seeking joint/multi-community funding may be subject to additional requirements; applicants for such projects should contact the program representative for technical assistance.*
6. **Service Area:** Provide information on the project area to be served including the Legislative District, Congressional District, and any other identifying characteristics, such as census tracts and block groups in which the project will be located. If the project is to be completed at the county-level or a regional-level, indicate that here.
7. **Project Name and Location:** Provide the name of project and the primary location of this project.
8. **Project Summary:** Provide a short, explicit description of the project activities in measurable terms for which funds are requested. Include a list of other applicants if a joint application is being submitted. For a joint application, attach a copy of the written agreement as stipulated in *Section 1.03(3)* of the Application Guidelines. *There is no need to include funding information. **IN ADDITION, ATTACH A ONE-PAGE PROJECT SUMMARY AS A PART OF PROJECT NARRATIVE.*** 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.

Planning (PP) Application

Community Development Block Grant (CDBG)
Nebraska Department of Economic Development (DED)

2017

DED USE ONLY

Application No.

17-PP-

Date Received

PART I. GENERAL INFORMATION

TYPE OR PRINT ALL INFORMATION

1. APPLICANT IDENTIFICATION		2. PERSON PREPARING APPLICATION	
Applicant Name	_____	Name	_____
Mailing Address	_____	Organization	_____
City, State, ZIP	_____	Address	_____
County	_____	City, State, ZIP	_____
Local Contact	_____	Email Address	_____
Email Address	_____	Telephone	_____
Telephone	_____	Federal ID	_____
Fax	_____	Application Preparer (Check One)	
Federal ID #	_____	<input type="checkbox"/> Local Staff	<input type="checkbox"/> Out-of-State Consultant
DUNS #	_____	<input type="checkbox"/> In-State Consultant	<input type="checkbox"/> Non-Profit
SAM Expiration Date	_____	<input type="checkbox"/> Economic Development District	
3. ACTIVITY TYPE		4. FUNDING SOURCES	
<input type="checkbox"/> Planning	<input type="checkbox"/> DTR Planning/Pre-development	CDBG Funds Requested	\$ _____
5. APPLICATION TYPE		Other Funds	\$ _____
<input type="checkbox"/> Individual	<input type="checkbox"/> Joint/Multi-community	Total Project Funds	\$ _____
6. SERVICE AREA		<i>Round amounts to the nearest dollar.</i>	
Legislative District _____	Congressional District _____	7. PROJECT NAME AND LOCATION	

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

<input type="checkbox"/> One-page project summary attached.	
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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: Planning (PP)

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

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

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

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

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

Part II. Funding Summary: Planning (PP)

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

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

Note: ROUND AMOUNTS TO THE NEAREST DOLLAR. Please make sure your math is correct!

Clarification for the above activities should be directed to DED.

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*. **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).

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.

**Qualifying activities under the slum and blight objective for planning-only projects 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. For additional information, see *Section 2.01*.

Part III. Project Budget

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. Provide name, address, phone, and e-mail of person(s) who prepared the estimates. The applicant must attach separate sheet(s) of paper behind Part II of the application information detailing their project budget.

The proposed budget includes project delivery costs and administration costs as stated in the project budget text. 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 Cost

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.

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.

If many of the general administration duties are to be performed by local government personnel, it is acceptable to use salaries and benefits as a line item cost. However, it should be noted what specific duties are to be performed under the salaries and benefits line item.

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.*

Selection Criteria Matrix

The Matrix below summarizes each selection criteria as a numerical score within the Planning Category. The maximum number of points available within any application is 1,000 points. A minimum score of 450 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. Preference will be given to projects that demonstrate a comprehensive approach.

Selection Criteria	Maximum	Threshold Minimum
1. Project Need (Problem Statement)	250	150
2. Project Impact	250	150
3. Project Readiness (Local Effort)	250	150
4. Matching Funds	50	-
5. LMI Benefit	50	-
6. MEF Score	100	-
7. Bonus Points	50	-
Total	1,000 points	450 points

For each of the following sections a project narrative must be provided and any additional information as noted within each individual application question.

1. Project Need (Problem Statement): Up to 250 points is possible. A minimum of 150 points 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 of any community needs-assessment process and is required as part of the CDBG application process (see *Section 5.02* and *Exhibits A, B, & C*).

2. Project Impact: Up to 250 points possible. A minimum of 150 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 (Local Effort): Up to 250 points possible. A minimum of 150 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. This includes stakeholder involvement. Project readiness will be scored as compared to other applicants.

4. Matching Funds: 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. The table below further describes these criteria.

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

5. LMI Benefit: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to provide points to communities with higher concentrations of LMI persons. Communities with a LMI population of 55% or more will receive 50 points. Communities with a LMI population less than 54.99% will receive no points in this section. Narrative is not required under this section; submitted documentation within Exhibit E will be reviewed by the Department.

6. MEF: Up to 100 points possible. 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. Bonus Points: Up to 50 points possible. No minimum point required in order to meet threshold. Points will be awarded in this section for applicants that demonstrate how planning projects will address sustainability concerns by (a) promoting energy efficiency throughout the community and project area; (b) reduction of inefficiencies throughout the community in relation to: budget, operations, and project implementations; and (c) promote environmental stewardship.

For more detailed information about the criteria, see *Section 5.03* of the Application 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.** Any required Attachment information is provided within this Chapter below.

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

- **Exhibit A:** Notice of Public Hearing (*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*)

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.*

Additional attachments may be provided by the applicant and these would be included at the end of the application.

Section C. Application Guidelines

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

Section 1.01 Eligible Applicants

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

Section 1.02 Types of Applicants

Eligible applicants may submit one of two types of applications:

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

Section 1.03 Special Policies for Applicants

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

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

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

2. A county may not submit an application for projects undertaken within the corporate limits or zoning jurisdiction of a municipality unless the projects involves either: (a) public facilities within an eligible incorporated municipality that are owned or operated by the county; or (b) activities provided country-wide, either directly by the county or through contract with another local or area agency.

3. A joint application must include a written agreement made in accordance with state law (Inter-local Cooperation Act) that (a) stipulates that the parties will cooperate in undertaking the project; (b) delineates responsibilities and authorities of each party with respect to grant administration; and (c) authorizes one of the parties to act as primary agent for administrative and monitoring purposes.
4. If an application requires participation of entities that are not eligible applicants, each such entity must provide written assurance that it concurs with the project and is committing its resources, if any, as stated in the application.
5. Eligible applicants may provide CDBG funds to a subgrantee Neighborhood-based Nonprofit organization. *NOTE: proof of nonprofit status of the sub-grantee, such as Secretary of State designation, must be included with the municipality's application.*

Special Policies for downtown revitalization planning/pre-development studies

6. Applicants for downtown revitalization planning and/or pre-development studies must include additional information within their applications regarding local support, including information on the detailed consultation efforts completed during pre-development (i.e. businesses consulted and other stakeholders of downtown revitalization). For more information, see *Section 5.03*.

The scope of the project is a direct result of negotiation between the applicant community and the procured firm. In general, the pre-development study itself should include:

- a) Proposed redevelopment plans;
- b) The proposed activities that will be completed during project implementation;
- c) The activity priorities selected for each project; and
- d) Reasons for those identified priorities.

The applicant should explain what the expected outcome of the project will be and why the community will be uniquely impacted by project completion. Examples of impacts may include fostering economic development in the downtown or increasing the community's ability to maintain future improvements within the downtown that may lead to additional investment within the community.

Applicants are not required to, but may seek DTR resources for project implementation upon completion of their downtown revitalization study. Where the intent is to obtain DTR resources to carry out the plan, the primary goal of the pre-development study will be to create a solid working document that will allow for efficient implementation of project activities.

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. Based on the amended 1974 HCD Act and HUD guidance, the national objectives are defined and clarified by DED as follows:

1. **Benefitting 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. This income limits as published by HUD at www.huduser.org/datasets/il.html are determined for each Nebraska county on the higher of either: 80% of the median income of the county, or 80% of the median income of the entire non-metropolitan area of the state.

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

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

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.

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 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 benefits to a specific group of persons rather than everyone in an area generally. It may benefit particular persons without regard to the area in that they reside, or 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 be in such location that it may reasonably be concluded that the activity's clientele will primarily be LMI persons (e.g. a daycare center that is designed to serve residents of a public housing complex); or,
- (4) Be an activity that serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting Bureau of Census' Current Population Reports definition of "severely disabled," provided it is restricted, to the extent practicable, to the removal of such barriers assisting the reconstruction of a public facility or improvement or rehabilitation of a privately-owned nonresidential building that does not qualify under LMI area benefit criteria.

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

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

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

- a. **On an area basis:** An activity will be considered to meet this objective if (1) the area is designated by official action of the local government as substandard or blighted in accordance with the applicable state statute; and (2) there is a substantial number of deteriorated or deteriorating structures throughout the area, or public improvements throughout the area are in a general state of deterioration; (3) the assisted activity is designed to address one or more of the conditions that contributed to the deterioration of the area; (4) documentation is provided and maintained by the recipient on the boundaries of the area and the conditions that qualified the area at the time of its designation; and (5) activities to be assisted with CDBG funds must be limited to those that address one or more of the conditions that contributed to the deterioration of the area. Submit Exhibit 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 signed 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.

Special Considerations for multi-community projects

Using CDBG to fund multi-community projects can be problematic as it regards meeting the national objective threshold. Ultimately, all communities in the project must meet a national objective. This may be cumbersome to meet unless the project involves a county that is 51% or greater LMI. As an example, it may be beneficial to think in terms of a single community that has bedroom communities surrounding it. In terms of a labor-shed area, where Anytown is the labor hub and the labor force lives in surrounding communities. In general, a multi-community approach would require there to be an existing relationship among the communities and its respective residents, as in the case of a labor-shed.

One possible approach it is to consider that CDBG-funded activities within one applicant community may serve beneficiaries outside the applicant's jurisdiction provided the applicant is meeting its community development and housing needs. Where beneficiaries are not residents of the applicant's jurisdiction, the application narrative would need to explain how the jurisdiction's needs are being met by the proposed activity (note: 24 CFR 570.486(b)). For example, if the applicant ("Anytown") is proposing to extend water and sewer service outside its corporate limits, the applicant must own the water or sewer service for which it plans to extend.

Returning to the labor-shed example, there may unincorporated communities that are included in Anytown's labor shed. Anytown may want to extend or provide services outside corporate limits within the county into these incorporated municipalities. Activities would need to be within service area of the municipality's public facility service (e.g. fire protection, street, sewer, water lines, etc.) However, for comprehensive planning and other public activities it may be okay to consider those areas within extraterritorial jurisdiction of the lead community, Anytown.

Overall, a CDBG funded project must meet a national objective and report on beneficiaries. For multi-community purposes, beneficiaries are likely to be LMI persons or households. It is imperative that the project is built around the problem/need and the proposed solution, not one or the other. This makes modeling difficult as community needs are specific to the community and do not often fit into a particular mold so as to approach it at the multi-community level.

Applications seeking joint/multi-community funding may be subject to additional requirements; applicants for such projects should contact the program representative for technical assistance.

Section 2.02 Compliance with State Planning Objectives

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

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

Section 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

Section 3.01 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.”

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

NOTE: The planning project activity must either meet the national objective for benefit to LMI persons or SB for the prevention or elimination of slums/blight. For example, a project claimed to meet SB does not

necessarily qualify the components of the project that are community wide benefit as meeting the SB national objective.

1. Community strategic planning such as: comprehensive plans, downtown revitalization, neighborhood revitalization, environmental and/or sustainability, brownfield revitalization, needs assessment, citizen participation, and fiscal management.
2. Analysis of impediments (AI) and barriers to fair housing choice.
3. Functional or special studies for: housing; infrastructure; community or economic development; land use, zoning, or other related regulatory measures; business park site, location, and/or use feasibility; main street improvement district; downtown revitalization; environmental scan; energy conservation; waste management; transportation; etc.
4. Environmental, heritage tourism, and historic preservation studies.
5. Payment of reasonable administrative and audit costs not to exceed 10% of the CDBG funds awarded, nor greater than \$3,000.

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

Overall, projects that will lead to a significant impact upon the community and are likely to have a sustained impact are likely to score highly. These projects will address the long-term comprehensive vision for the community and not just focus on a single problem that might be addressed for the short term.

Section 3.02 Ineligible Activities

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

1. General administrative and audit costs that exceed 10% of the CDBG funds awarded, nor greater than \$3,000.
2. Engineering, architectural, and design costs related to a specific activity;
3. Direct development and/or preparation of a CDBG application;
4. Other costs of implementing plans;
5. Operating costs for an organization; or
6. Pre-engineering studies for publicly owned water/wastewater projects prepared for communities that are involved in the WWAC process. PERs prepared for WWAC should utilize other non-CDBG resources.

Section 4.01 Maximum Grant Amount

The maximum grant is \$40,000 for community or unincorporated county and \$60,000 for multi-community, countywide, or regional planning projects, which includes administrative and audit costs in *Section 3.01 (5)*. For the current Program Year, \$500,000 in CDBG funds will be allocated for Planning category activities.

Section 4.02 Matching Funds Requirements

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

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

1. All planning activities require a minimum of 25% match
 - a. No more than half (12.5%) of the total project match may be in-kind source or service contributions.
 - b. At least half (a minimum of 12.5%) of the total project match must include non-CDBG cash contributions, of the total project costs (excluding general administration).

2. General administrative activities require no matching funds and costs charged to the grant *shall not exceed 10% of the CDBG funds awarded, but not greater than \$3,000.*

Planning category match example

All activities funded with Planning resources, except costs associated with administration, require a minimum cost-share where the local match must be at least 25% of total CDBG project activity costs. Proposed match 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 is required for PP projects, this would mean that for every dollar spent, \$0.75 of the project costs are allowable from CDBG and \$0.25 from local matching funds. For example, a project receiving \$30,000 in CDBG and maximum allowable costs for general administration would allow for \$27,000 in CDBG funds for project activities and \$6,750 would be required as match (see table below).

Planning Match example				
(A)	(B)	(D)	(E)	(F)
Total CDBG Award	0181 General Administration <i>(10% or \$3k MAX)</i>	0180 Total Non-Admin Costs [A-B]	Local Match [D*25%]	1000 Total Program Costs [A+E]
\$30,000	\$3,000	\$27,000	\$6,750	\$36,750

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

Projects are to be completed within twenty-four (24) months following award. Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning category.

Milestone Summary	Dates
Planning applications due (Cycle 1)	August 30
Anticipated Award	September
Planning applications due (Cycle 2, if available)	Beginning October 15

Applications will be submitted according to the provisions stated in *Section 1.01* through *Section 1.03* and in the manner described in *Section 5.04*. Planning applications must be submitted per the current Program Year's Planning Category Application Guidelines. Applications may be accepted during two cycles. The first cycle is due on August 30. Potential applicants are encouraged to submit their applications in the first cycle. Where Planning Category funds remain after the first cycle awards, a second cycle may be held at DED's discretion. If held, this second cycle will be an open cycle and applications will be accepted beginning October 15, and until Planning Category funds are depleted.

Applications will be accepted during this period based on US Postal Service postmark date or date of delivery by other means. Applications not funded during an application cycle may be carried over to the succeeding Program Year cycle upon request of the applicant, or may be resubmitted during the next available application cycle.

Applicants meeting required thresholds for eligibility and review may submit a Planning application for consideration by DED. Applications will be reviewed using the selection criteria matrix below. The highest scoring applicants, who also meet all required thresholds, may be recommended for approval and award of CDBG Planning resources.

Applications recommended for approval through these processes will be presented to DED's Director, or designee, for a grant award (i.e. Notice of Approval). DED will send a formal Notice of Approval Letter to the applicant community upon approval of the application. A letter of non-selection will be issued to those applicants not recommended for award of Planning Category funds.

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

1. Applicant is eligible;
 2. Activities are eligible and comply with national CDBG objectives and state CDBG priorities;
 3. Applicant has no significant, unresolved audit finding;
 4. Applicant has no legal actions underway that may significantly impact implementation of the project;
 5. Applicant is following a detailed citizen participation and anti-displacement plan;
 6. Applicant has adopted authorizing citizen participation resolution;
 7. Applicant must have addressed and cleared all compliance problems (i.e. Davis-Bacon, acquisition, fair housing, etc.), if any, from past awards and have responses accepted by DED;
 8. Applicant is current with all reporting requirements (semi-annual status reports, closeout reports, audit reports, notification of annual audit reports, etc.);
 9. Applicant meets minimum total selection criteria score points with no selection criterion scored at 0;
- and

10. Applicant has shown progress (including expenditures through drawdowns) on prior CDBG grants. In general, DED will review projects that have been funded at least two years prior to the current program year.

Section 5.02 Special Policies for Thresholds for Selection

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

1. The **citizen participation plan** must contain provisions for the involvement of citizens, particularly LMI residents, in all phases of the project. Each local government submitting a single application or participating in a joint application must have and follow a citizen participation plan. The plan must provide for:
 - a. Proper notice and access to all meetings and project records.
 - b. Technical assistance on request to groups representative of LMI persons.
 - c. A minimum of two public hearings, each at a different stage of the program, for the purpose of obtaining citizen's views, responding to proposals and questions (specifically during the application phase, the hearing(s) must cover community and housing needs, development of proposed activities to be undertaken, the amount of funds requested, the estimated amount proposed to benefit LMI persons, the amount and source of matching funds, if any, and the applicant's plans for minimizing displacement of persons as a result of CDBG-assisted activities and for assisting persons actually displaced; and specifically during the implementation phase, the hearing(s) must review program performance). The minutes of the public hearing and the public hearing notice are to include each listed statement. Public hearings for joint applicants must be held in each participant's jurisdiction and the application must be available for public inspection at each locality.
 - d. A process for responding to complaints and grievances within 15 working days.
 - e. The needs of non-English speaking residents where a significant number of them can be expected to participate in public hearings.
2. The **residential anti-displacement and relocation assistance plan** must be adopted and certified by the local government and be available to the public. A certification and plan is required even if the applicant is not proposing activities that will result in demolition or in the conversion of a LMI unit to a use other than LMI housing. The plan must contain two components: (a) one-for-one replacement unit requirement and (b) a relocation assistance component.
 - a. One-for-one replacement unit requirement applies to all occupied and vacant occupiable LMI dwelling units that will be demolished or converted to another use as a direct result of a CDBG assisted activity. Occupiable dwelling unit is a residential unit that is in standard condition or in a substandard condition, but suitable for rehabilitation.
 - (1) A LMI dwelling unit is defined as a unit with a market rental, including utility costs, that does not exceed the Section 8 fair market rent (FMR) as established by HUD. Whenever assisted rehabilitation raises the rent above the FMR, that unit must be replaced.
 - (2) A "vacant occupiable dwelling unit" is a unit in standard condition or a unit in substandard, but is suitable for rehabilitation; or a dwelling unit that has been occupied (except for a squatter) at any time one year prior to the Notice of Approval date for an approved application.
 - (3) A unit is "standard condition" is ready to be lived-in with only a minimal amount of deferred maintenance or repair required at a reasonable cost.

- (4) A unit “suitable for rehabilitation” is defined for purposes of this certification as a unit whose estimated repair; rehabilitation, weatherization, and/or general improvement costs do not exceed one half of its replacement value after rehabilitation. The local government may use their own definition for “suitable for rehabilitation” provided such definition is made public and DED determines the definition to be acceptable.
 - (5) Replacement LMI units must be provided within three years from the start of demolition or conversion and must be:
 - Located within the same jurisdiction
 - Sufficient in number and size to house at least the number of occupants that were or could have been housed; according to local occupancy codes.
 - Provided in standard condition or brought up to a standard condition.
 - Designed to remain LMI units for ten (10) years.
 - Replacement units may include public housing and housing with Section 8 project-based assistance.
 - (6) Assistance cannot be obligated to the demolition or conversion activity until the local government makes public and submits to DED information that identifies:
 - The activity—the location and number of units by bedroom size
 - The proposed demolition or conversion schedule
 - The number and placement of replacement units and their size
 - The source of funding and time schedule for replacement units
 - The basis for concluding that each replacement unit will remain a LMI unit for 10 years.
- b. Relocation assistance must be provided to each LMI household displaced by the demolition or conversion to another use of any housing unit because of an assisted activity. Persons must be provided assistance as prescribed in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) or 24 CFR 570.796a(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.

4. The local government applicant completing a **multi-jurisdictional application** must also be a direct participant in the study/project. Additional threshold requirements that are specific to the Planning category for multi-jurisdictional applications include:
 - Applicant for a multi-jurisdictional application is a direct participant in the study/project, and cannot serve only as a pass through for CDBG funds or only as the general administrator.
 - Multi-jurisdictional applicants are involved with the same project addressing a common need. The product can, however, be packaged to meet individual municipal or county needs. There must be a product for the regional study and each municipality or county may have its own product that addresses local recommendations, strategies, or needs.
 - Applicant meets the minimum selection criteria as noted in *Section 5.03* of the Application Guidelines.

Applications seeking joint/multi-community funding may be subject to additional requirements; applicants for such projects should contact the program representative for technical assistance.

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 project summary describing the nature and scope of the project. This summary will 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 based on the thresholds set forth in this section.

Review and scoring of project applications will be prioritized and preference given to those projects that apply and incorporate a 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.

Overall, projects that lead to a significant and sustained impact on the community are likely to score highly. These projects will address the long-term comprehensive vision for the community and not just focus on a singular problem that might be addressed for the short-term (single-purpose project).

See following page for Selection Criteria Detailed Matrix.

Selection Criteria Detailed Matrix – CDBG Planning (PP) Category		
Item	Criteria	Points Possible
1. Project Need (<i>threshold: 150 pts</i>)		250
	Overall Purpose of Project	100
	Capacity and commitment	75
	Past efforts to resolve the problem	75
2. Project Impact (<i>threshold: 150 pts</i>)		250
	Goals and objectives	100
	Community, especially LMI benefit	75
	Accomplishment in measurable units	25
	Alternatives considered	25
	Formal study recommendation	25
3. Project Readiness – Local Effort (<i>threshold: 150</i>)		250
	Planning activities and methodology	125
	Community involvement/stakeholder support (<i>DTR pre-development Phase I studies should include business support</i>)	125
4. Match		50
5. National Objective (LMI Benefit)		50
6. Municipal Equalization Fund (MEF) Score		100
7. Bonus Points: Sustainability (<i>no threshold</i>)		50
	Energy efficiency	
	Reduce inefficiencies	
	Environmental stewardship	
Total (<i>minimum threshold 450 pts</i>)		1,000

1. Project Need (Problem Statement): Up to 250 points is possible. A minimum of 150 points 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
- 155-250—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 community needs-assessment process 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 react to the needs assessment information. Existing capital improvement plans, comprehensive plans, and economic development, or housing plans should be reviewed to determine if they reflect current conditions and goals or if there is a need to develop new goals and action plans. Special short-term committees can be asked to validate and/or update existing information.

The proposed project in a CDBG application does not 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 250 points possible. A minimum of 150 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
- 155-250—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) The alternatives considered to address the need(s) and the rationale for selecting the proposed solution; and

(e) 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 (Local Effort): Up to 250 points possible. A minimum of 150 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. This includes stakeholder involvement. Project readiness 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
- 155-250—well defined, above average

The application narrative shall be scored for detailed:

(a) 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;

(b) Description of the citizen participation process, specifically outlining how broad-based community involvement/awareness has and/or will be utilized throughout the project and any related timelines.

NOTE: DTR pre-development Phase I studies should also include narrative and/or supplemental materials demonstrating business support when describing stakeholder support, specifically how businesses have been included in the initial planning process. Successful downtown revitalization efforts derive from the public and private sectors. Supplemental materials may include letters of support from the local chamber of commerce and/or business owners.

4. Matching Funds: 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

5. LMI Benefit: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to provide points to communities with higher concentrations of LMI persons. Communities with a LMI population of 55% or more will receive 50 points. Communities with a LMI population less than 54.99% will receive no points in this section. Narrative is not required under this section; submitted documentation within Exhibit E will be reviewed by the Department.

6. MEF: Up to 100 points possible. 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. Bonus Points: Up to 50 points possible. No minimum point required in order to meet threshold. Points will be awarded in this section for applicants that demonstrate how planning projects will address sustainability concerns by (a) promoting energy efficiency throughout the community and project area; (b) reduction of inefficiencies throughout the community in relation to: budget, operations, and project implementations; and (c) promote environmental stewardship.

Section 5.04 Requirements for Submitting Applications

To apply for funds under these guidelines, an eligible applicant must complete the APPLICATION FOR PLANNING CATEGORY form. This form consists of five parts: *Part I – General Information, Part II – Funding Summary, Part III – Project Budget, Part IV – Project Descriptions and Impact, Part V – Required Exhibits, Part VI – Additional Attachments (where available)*. All parts must be completed according to instructions before an application will be considered for funding. Applicants may 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 within the appropriate cycle.

Section 5.05 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 in preparing a Community Development Block Grant application or in administering a grant, **or in implementing an approved planning grant application**, such as when:

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

Communities selected for CDBG funding will receive written guidelines regarding the federal and state requirements for selection of consultants to assist with project implementation, such as engineers, architects, planners, housing management administrators, or project administrators. The federal requirements do not apply to communities selecting consultants to assist them in the preparation of an application; however, these costs are not eligible for reimbursement.

The **procurement process** for consultant selection must be outlined in detail in accordance with *Section 5.05(3) Competitive Proposals*. In specific instances, Exhibit K 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 5.01*.

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

1) **“Loss-Leader” Arrangements**

“Loss-leader” arrangements, where a consultant offers to prepare a grant applications 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 that require “maximum open and free competition.” Professional organizations also consider this practice unethical because it deprives the client of the benefits that can result from competition among competent, professional firms.

2) **Selection of Engineers, Planners, or Administrative Consultants Prior to Grant Award**

Generally, the use of **multi-services procurement** and contracting is prohibited, except for:

- 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, planning, management, or accounting services. If your CDBG application is selected for funding, this is the procedure that is most appropriate to solicit and select professional services for your project. You may also want to use this procedure to select a consultant to assist you with the preparation of a CDBG application.

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

HUD regulations for competitive proposals require the following:

- a) Requests for proposals (RFP’s) 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.

- b) Proposals must be solicited from an adequate number of qualified sources (at least three);
- c) 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;
- d) Awards must be made to the responsible firm whose proposal is most advantageous to the program, with price and other specified factors considered; and
- e) 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 request for proposals to firms serving your region of the State. In addition to advertising in your local newspaper, you should also advertise in at least one other newspaper that is widely distributed in your region of the State. The community would evaluate the firms responding and could then conduct interviews with one or more of the firms responding and select a consultant. The community then negotiates a contract with terms and conditions to its satisfaction.

A response to an RFP should not be confused with a competitive bid. A bid is an estimate of cost in response to detailed specifications. A response to a RFP in the competitive proposal process is a description of how a consultant proposes to approach solving your problem. A Competitive proposal refers to the comparison of qualifications and may include fees where required or deemed appropriate. However, the principal 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 management of a grant.

Sometimes the firm you are interested in will be a new firm with few if any client references. New, small firm can sometimes be just as good as well established, large firms, so instead of asking for client references, you would ask for past employer references.

Checking references prior to contracting is the most important action you can take to avoid becoming involved with a less than satisfactory firm.

5) Involve Local Staff

Whenever you retain a consultant to assist you in preparing a grant application, in managing or CDBG project, or to provide other professional services, 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.

For more information about procurement, see the CDBG Administration Manual.

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 years following completion and closeout of the grant. During the grant period, performance reports are required semi-annually.

2. **2 CFR Part 200 Subpart F**

Local governments and nonprofits that expend \$750,000 or more must conduct a single audit of federal and local funds.

3. **Procurement**

Open and free competition on solicitation of professional services bidding is also required in most cases. 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.

4. **Environmental Review**

Grant recipients are required to obtain appropriate environmental clearance for their projects and to maintain an Environmental Review Record for each project. 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.

5. **Equal Opportunity, Fair Housing, and Handicap Accessibility**

Laws require that CDBG grantees administer their project in a manner that affirmatively furthers fair housing and equal opportunity. All grantees will be required to undertake specific activities to further fair housing. Grantees must also assure that all activities and services are accessible to those with disabilities.

6. **International Energy Conservation Code**

Most new construction or substantial rehabilitation of buildings must meet the 2009 International Energy Conservation Code or the most recent version of the International Conservation Code in effect, as specifications (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 the construction, the building

should be inspected to verify that insulation and other envelope components, and all specified lighting, heating, cooling, ventilating, and water heating equipment and controls are installed as indicated on the plans. The Verification of Construction form must be signed and returned to the Energy Office within twenty (20) days following substantial completion. Contact NEO at (402) 471-2867 for a copy of the code.

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

Section 6.01 Glossary of Terms

Age of Seniors

For purposes of this program and qualifying a project as meeting the low- and moderate-income national objective by principally 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 the 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 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-incomes 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 field as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement; or a one-time charge made as a condition of access to the improvement. The amount of the fee represents the pro rata share of the capital costs of the public improvement levied against the benefitting properties.

Sub-recipient

Any public or private agency, institution, organization, or other entity to whom Federal financial assistance is extended, through DED, for any program or activity, or who otherwise participates in carrying out such program or activity but such term does not include any Beneficiary under any such program.

Target Area

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

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.