

CHAPTER 7

Owner Occupied Rehabilitation

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 Owner Occupied Rehabilitation (OOR) applications. Any eligible applicant must follow the instructions and information within this Chapter in order to apply for any OOR resources.

The purpose of the OOR Category is to promote housing preservation by improving the quality of Nebraska's existing affordable housing. This is one of the four objectives as identified within the State's Consolidated Plan as identified within the Housing Priority Need. The State's Housing Priority Need includes the need to respond to regional needs for affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska.

The maximum grant amount for OOR activities is \$250,000.

For the current Program Year \$2,000,000 is anticipated for the OOR category.

FOR MORE INFORMATION

For further information, please contact the following Primary Contact for this program. See also Chapter 1 for more information and Chapter 10 for the Exhibits for the application.

Pam Otto

Housing Application Coordinator
Nebraska Department of Economic Development
Housing and Community Development Division
PO Box 94666, Lincoln NE 68509-4666
Phone: 1 (402) 471-4388 (or) 1 (800) 426-6505
Fax: (402) 471-8405
pamela.otto@nebraska.gov
<http://opportunity.nebraska.gov/community>

Bob Jones

Southeast Regional Program Representative
Nebraska Department of Economic Development
Housing and Community Development Division
PO Box 94666, Lincoln NE 68509-4666
Phone: 1 (402) 471-3742 (or) 1 (800) 426-6505
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<http://opportunity.nebraska.gov/community>

Kristi McClung

Western & Central Regional Program Representative
Nebraska Department of Economic Development
Housing and Community Development Division
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Rachel Meredith

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Nebraska Department of Economic Development
Housing and Community Development Division
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Phone: 1 (402) 471-2843 (or) 1 (800) 426-6505
Fax: (402) 471-8405
rachel.meredith@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. No joint applications or County-wide applications are eligible within the OOR Cycle.

2. ELIGIBLE ACTIVITIES

The following activities are eligible within the OOR Program. If any activity is not noted within the list below, please consult a Regional Program Representative in order to determine if any other proposed activities are eligible for the program.

- Rehabilitation (including rehabilitation which promotes energy efficiency) of residential owner-occupied homes.
- Special projects directed to the removal of material and architectural barriers, which restrict the mobility and accessibility of elderly and handicapped persons.
- Payment of reasonable administrative costs related to implementing the program.

For more information, see *Section 3.04* of the Application Guidelines.

3. GRANT AMOUNTS & MATCHING FUNDS

Grant Amount: The maximum grant amount for an OOR project is \$250,000.

General Administration activities may not exceed 10% of the total amount of CDBG hard costs. Housing Management activities may not exceed 10% of the total amount of CDBG hard costs. General Administration and Housing Management activities do not require any matching funds.

Matching Funds: See *Section 4.02* of the Application Guidelines for more guidance on Matching Funds. The amount of match must be given in dollars. Allowable cash and in-kind contributions are governed by 2 CFR 200.

4. APPLICATION DUE DATES AND PROCESS

Applications are prepared at the applicants' expense and costs are not reimbursable. Applications for OOR program category will be accepted as shown in the table below based on US Postal Service postmark date or date of delivery by other means.

Applications will be reviewed by DED on a competitive basis according to the selection criteria established in *Section 5.03* of the Application Guidelines. 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.

Below is a summary of the milestones:

Milestone Summary	Date
Optional Pre-Application Due	August 4
Full Application Due	October 6
Anticipated Award Notification	November 2017

Optional Pre-Applications (please use the OOR Pre-Application document on website) and Full OOR Applications should be submitted to:

Nebraska Department of Economic Development
Attn: Housing Application Coordinator
Housing and Community Development
301 Centennial Mall South – PO Box 94666
Lincoln, NE 68509-4666

5. FUNDABILITY THRESHOLD REQUIREMENTS

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

- Activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities. See *Section 2.01* of the Application Guidelines for more information.
- Applicant has no significant, unresolved audit findings
- Applicant has no legal actions under way that may significantly impact its capacity
- Applicant is following a detailed Citizen Participation Plan (CPP) and Anti-Displacement Plan
- Applicant has adopted an authorizing participation resolution
- Applicant must have addressed and cleared all compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) Found during monitoring, if any, from past awarded projects, and have had a response accepted by DED
- Applicant is current with all reporting requirements (semi-annual status reports, closeout reports, audit reports, notification of annual audits, etc.)
- Applicant has shown progress (including expenditures through drawdowns) on prior CDBG grants. In general, DED will review projects that have been funded at least two years prior to the current program year.

CDBG National Objective

All OOR projects funded, and CDBG-funded project activities, must meet one of the National Objectives of the CDBG Program. This includes:

- LMI: Benefitting low-to-moderate income persons (for housing activities)

A project or project activity that fails to meet a specified national objective is ineligible for CDBG resources.

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

OOR Category – Key Maximums and Requirements	
OOR Application	\$250,000
General Administration	10% of total amount of CDBG hard costs
Housing Management	10% of total amount of CDBG hard costs

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

6. POST AWARD REQUIREMENTS

Each eligible application must also comply with any necessary post award requirements. These requirements include: Environmental Review, Procurement, etc.

For more information, and for a complete list of Post Award Requirements, see *Section 5.06* of the Application Guidelines.

7. APPLICATION SELECTION CRITERIA MATRIX

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

The matrix below describes each selection criteria as a numerical score within the OOR Category. The maximum number of points available within any applications is 1,000 points. A minimum score of 350 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five-point increments and shall be scored on a scale.

Selection Criteria	Maximum	Threshold Minimum
1. Project Need	250	100
2. Project Impact	250	100
3. Project Readiness	200	100
4. Community Support	100	50
5. Matching Funds	50	-
6. Municipal Equalization Fund (MEF) Score	100	-
7. Achievements	50	-
Total	1,000 points	350 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 exhibits to be submitted so that your application can be scored and ranked effectively. Application narratives should be clear and concise. The Department reserves the right to verify all information, and to consult with other agencies on the proposed project. The Department may non-select any application that does not contain all of the required items and these items cannot be verified.

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

In submitting your application, these instructions must be followed:

- Submit **ORIGINAL, TWO** (2) complete copies, and a PDF copy of the application (10 MB max)
- Do not bind, fold, or staple in any way.
- Recommend no less than 2" top margin and 1" side and bottom margins.
- Table of Contents **must** be included
- All pages **must** be numbered in sequence at the bottom of the page.
- All Exhibits **must** be labeled at the bottom of the page, right-hand corner.
- All Attachments **must** be labeled at the bottom of the page, right-hand corner.

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

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

Below is an outline of what an OOR 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)
- One Page Project Summary (follow instructions)
- Part II. Funding Summary (use required form)
- Budget Calculator
- Part III. Project Budget
- Part IV. Project Description & Scoring Criteria
- Part V. Required Exhibits and Attachments (See Chapter 10 for all Exhibits)
- Part VI. Additional Attachments (supplemental info provided by applicant)

Table of Contents & Checklist

Applicants must attach this Table of Contents to their OOR application. Type in additional attachments items as deemed necessary to your project. List appropriate page numbers under PAGE NUMBER column. ***Please note: Table of Contents continues on the following page***

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

<u>PROJECT INFORMATION</u>	<u>PAGE NUMBER</u>
Part I: General Information	
One Page Summary	
Part II: Funding Summary	
Budget Calculator	
Part III: Project Budget	
Part IV Item 1: Project Need	
Part IV Item 2: Project Impact	
Part IV Item 3: Project Readiness.....	
Part IV: Item 4: Community Support.....	
Part IV: Item 5: Matching Funds	
Part IV: Item 6: MEF	
Part IV Item 7: Achievement.....	
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	
K1 Waiver of Procurement Process (narrative)*	
K2 Procurement Process Completed Prior to Application (narrative)**	
L Federal Funding Accountability and Transparency Act (FFATA) form.....	
M Map of Proposed Project Area.....	
N System for Award Management (SAM) record and clearance documentation	
O1 Four Factor Analysis Assessing Limited English Proficiency	
O2 Language Access Plan (<i>optional at the time of application</i>)***	

P Owner Occupied Rehabilitation Activity Guidelines and Reuse Plan

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

Attachment 1 (title)

Attachment 2 (title)

Attachment 3 (title)

Attachment 4 (title)

- * Only required when Applicant will act in its official capacity or has retained the services of a professional and can provide documentation to the appointed person(s) or firm(s) for three consecutive years, including the program year for which they are seeking funds.
- ** Only required when the procurement process has been completed prior to the application, all procurement procedures must follow state and federal requirements when CDBG funds are used.
- ***Language Access Plan is only required if found to be necessary through completion of the Four Factor Analysis Assessing Limited English Proficiency.

Part I. General Information

Type or print all information except where signatures are required.

- 1. Applicant identification:** Enter the name, mailing address, telephone, and fax number of the local government that is the applicant in an individual application or the lead applicant in a joint application. Enter the name of the local government contact person. Such person is the **applicant's employee who is most familiar with the application**, and not 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 person with a hearing impairment, the TTY number is 866-814-7818. Enter the e-mail address for the local unit of government or local contact.
- 2. Person Preparing Application:** Enter the name, mailing address, and telephone number of the person who prepared the application. If prepared by a firm, identify the staff contact person. Include the Federal Tax Identification number of the firm, development district, or nonprofit. Provide preparer's e-mail address. Check the appropriate application preparer status box.
- 3. Activity Type:** Check the Owner Occupied Rehabilitation 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.** (Others funds include matching funds. "Matching Funds" are those project funds required in *Section 4.02*. Be certain that the figures are correctly added are the same as provided on the "Total" line for each funding source in *Part II*.)
- 5. Application Type:** Check the appropriate application type box under which funds are being requested.
- 6. Service Area:** Provide information on the project area to be served including the City, County, Legislative District, and Congressional District in which the project will be located.
- 7. Project Name and Location:** Provide the name of project and the primary location of the project.
- 8. Project Summary:** Provide a short, explicit description of the project activities in measurable terms for which funds are requested. Include a list of other applicants if a joint application is being submitted. For a joint application, attach a copy of the written agreement as stipulated in *Section 1.03(3)*. *There is no need to include funding information. IN ADDITION, ATTACH A ONE PAGE PROJECT SUMMARY FOLLOWING PART I APPLICATION.*
- 9. Certifying Official: Only the signature of the applicant's chief elected official will be accepted.** Blue ink for signature is advisable. Alternate signatures (e.g. city council president, city manager) are not allowed, except where there exist extenuating circumstances (e.g. chief elected official is out for an extended period), and the applicant receives prior within approval from DED. Type the name and title of both signers and the date of their signature.

Owner Occupied Rehabilitation (HO) Application

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

2017

DED USE ONLY

Application No.

17-HO-

Date Received

PART I. GENERAL INFORMATION

TYPE OR PRINT ALL INFORMATION

1. APPLICANT IDENTIFICATION	2. PERSON PREPARING APPLICATION
Applicant Name _____	Name _____
Mailing Address _____	Address _____
City, State, ZIP _____	City, State, ZIP _____
Local Government Contact _____	Telephone # _____
Telephone _____	Federal ID _____
Fax Number _____	Email Address _____
Federal ID # _____	
DUNS # _____	
Email Address _____	
SAM Expiration Date _____	
	Application Preparer (Check One)
	<input type="checkbox"/> Local Staff <input type="checkbox"/> Out-of-State Consultant
	<input type="checkbox"/> In-State Consultant <input type="checkbox"/> Non-Profit
	<input type="checkbox"/> Economic Development District

3. ACTIVITY TYPE	4. FUNDING SOURCE
<input type="checkbox"/> Owner Occupied Rehabilitation	CDBG Funds Requested \$ _____
	Other Funds \$ _____
	Total Project Funds \$ _____
	(Round amounts to the nearest dollar.)
5. APPLICATION TYPE	7. PROJECT NAME AND LOCATION
<input type="checkbox"/> Individual (City or Village Only)	
6. SERVICE AREA	
City _____ County _____	

Legislative District _____ Congressional District _____

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

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

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

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

Signature in Blue Ink	Typed Name and Title	Date Signed
_____	_____	_____
Attest	Typed Name and Title	Date Signed
_____	_____	_____

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

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

Part II. Funding Summary

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

Enter the dollar amount of CDBG funds requested for each 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 be constructed with CDBG funds, code the activities 0091 Senior Center rather than 0010 Acquisition. You would include appraisal, acquisition, architectural, and construction costs with 0091 Senior Center. You would include costs for environmental review, fair housing activities, labor standards enforcement, record keeping, progress reports, general office expenses, contractual services for administration, and audits under 0181 General Administration.

Limited 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 buildings, 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 OOR (Round amounts to the nearest dollar)

Activity Code-Activity	National Objective ¹	CDBG Funds	Matching Funds ²	Total Funds	Sources of Matching Funds
0523 Relocation ³	LMH				
0530 Housing Rehabilitation	LMH				
Subtotal					
0580 Housing Management	LMH				
0580(a) Housing Management Lead Based Paint Testing/Risk Assessments/Clearance Testing ⁴	LMH				
0180 Total Non-Administration					
0181 General Administration					
1000 TOTAL PROGRAM COSTS					

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

Enter the dollar amount of CDBG funds requested for each activity. Enter the amount of other funds **that you are committing** to each activity and identify the source. Be sure to distinguish cost 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.

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

Utilize the OOR Budget Calculator for determining funding amounts based on the number of units within the project and the recommended maximums. Include the OOR Budget Calculator in the application after this Part II.

¹The CDBG National Objective for OOR is the Benefit low and moderate income persons Housing (LMH)

²Matching funds are sources such as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project

³Relocation is a support activity and must be done in conjunction with another housing activity

⁴Lead Based Paint (LBP) testing, risk assessments, and clearance testing are limited to \$1,500 per unit.

Part III. Project Budget

The proposed budget includes project delivery costs and administration costs are stated in the project budget text. All items listed as match and CDBG costs must be allowable and eligible under the CDBG Program. Utilize the OOR Budget Calculator in order to determine estimated budget amounts based on the number of units that will be rehabilitated within the project.

Provide the following information on separate sheet(s) of paper behind Part II of the application. Information provided in this section will be used to evaluate the accuracy and reasonableness of activities and cost estimate shown in the application. Indicate the date and source of cost estimates. Provide name, address, phone, and e-mail of person(s) who prepared the estimates. 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 budget items for specifics and clarity during the application review prior to award.

Project Delivery Costs

Provide a breakdown of the costs for the project. Common line item costs are real property acquisition, legal expenses, architectural and engineering fees, project inspection fees, site work, demolition and removal, construction, equipment, miscellaneous (detailed information) and contingencies (detailed information). If the project includes work to be performed by volunteers or in-kind contributions by the local government or other organizations, include the value of the volunteer or in-kind donations under the appropriate budget line item.

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 buildings, etc.

Housing Management Costs

The **housing management** (activity number 0580) costs include: finance-related costs; credit reports, title binders and insurance; surety fees; recordation fees, transaction taxes; legal and accounting fees, including; cost certification; appraisals; environmental reviews; builders’ or developers’ fees; architectural, engineering, and related professional services; homeowner counseling; project audit costs; affirmative marketing and fair housing services to prospective tenants of an assisted project; and staff costs directly related to projects. Overall this includes any costs that are related to the specific units and applicants served by the rehabilitation project.

Note that costs related to Lead Based Paint (LBP) are recorded separately [as activity number 0580(a)] and cannot exceed \$1,500 per unit.

Administration Costs

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

Part IV. Project Description & Scoring Criteria

The Matrix below describes each selection criteria as a numerical score within the OOR Program. The maximum number of points available within any application is 1,000 point. A minimum score of 350 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

Selection Criteria	Maximum	Threshold Minimum
1. Project Need	250	100
2. Project Impact	250	100
3. Project Readiness	200	100
4. Community Support	100	50
5. Matching Funds	50	-
6. Municipal Equalization Fund (MEF) Score	100	-
7. Achievement	50	-
Total	1,000 points	350 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

Up to 250 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The significance of the Project Need will be scored as compared to other applicants.

How does the proposed project provide a solution to the immediate housing needs of the primary community(ies) being served? Be specific to the type of project proposed. (Include statistical data (that is cited) to support the proposed project. Also, include independent sources that must be cited and include any relevant information within the application.)

The answer should:

- Describe how the need was determined for the community and/or region;
- Describe the clearly defined, systematic, and inclusive public participation process, and the extent of public involvement, used to identify and address community needs and allocate resources;
- Describe how the proposed project accomplishments will reduce or eliminate the need in the primary project area; and
- Describe any plans to address any remaining housing needs.

Points in this section include:

- 0 – 75: No clear description of the need for the project.
- 76 – 150: Reasonably defined project need that is average compared to other applicants.
- 151 – 250: Above average description of project need.

2. Project Impact

Up to 250 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. ***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.

A) How does the proposed project impact the targeted community(ies)/region? Provide clarity on how the project will benefit those identified by a CDBG National Objective.

B) Describe the significant planning efforts and implementation of necessary ordinances, codes and enforcement.

C) Is the project located in a community and region that is working on other community development activities (both public and private)? Provide specific examples; including but not limited to: DED Leadership Community; CDBG CR or CIS community; Economic Development Certified Community designation; or an Enterprise Zone (serve the lowest income occupant and are obligated to serve qualified occupants for the longest period of time).

D) What significant employment opportunities are located within close proximity to the project?

The answer should:

- Describe planning and enforcement process and implementation as related to the project;
- Include the top employers within the primary community(ies) and within the region of the project being served. List the number of employees per employer; and
- Summarize the overall employment opportunities available in the project area for the persons served by the project.

Points in this section include:

- 0 – 75: Inadequately defined project impact.
- 76 – 150: Reasonably defined project impact that is average compared to other applicants
- 151 – 250: Above average description of project impact.

3. Project Readiness

Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The significance of the Project Readiness will be scored as compared to other applicants.

A) Describe the **Applicant's** capacity and commitment to implement the project in a timely manner. Does the applicant have potential contractors for the project to ensure timely completion of the project?

The answer should:

- Detailed documentation of the projects (both housing and non-housing) and/or DED-funded projects the Applicant has completed in the past 10 years;
- List of the individuals that will be working on the project and a description of each individual's role in project implementation (including: who will be primarily responsible for the success of the

- project; who will handle the day to day operations of the project; who will inspect, evaluate, and review the progress of the project; and any other individuals that will participate within the project);
- List of Grantee-requested contract extensions on any housing projects for years 2010, 2011, 2012, 2013, 2014, 2015, or 2016, including the reason the extension was requested; and
- Include your prequalified contractor list, which includes those contractors with whom you have proven experience. Indicate length of association and scope of experience.

B) Describe the **Administrator's** (selected for the project) capacity and commitment to implement the project in a timely manner.

The answer should include:

- Detailed documentation of the housing projects the Administrator has completed in the past 5 years;
- Detailed documentation of the DED-funded projects (both housing and non-housing) the Administrator has completed in the past 5 years;
- Copy of the transition (succession) plan including Board approval;
- List of the individuals that will be working on the project and a description of each individual's role in project implementation (including: who will be primarily responsible for the success of the project; who will handle the day to day operations of the project; who will inspect, evaluate, and review the progress of the project; and any other individuals that will participate within the project); and
- List of Grantee-requested contract extensions on any housing projects for years 2010, 2011, 2012, 2013, 2014, or 2015, and 2016, including the reason the extension was requested.

Points in this section include:

- 0 – 75: Lack of local staff or ability to oversee the rehabilitation efforts from planning to the implementation of the project.
- 76 – 125: Local capacity is demonstrated through past projects, past rehabilitation, and community improvement efforts, citizen participation, and evidence of a commitment to proceed with the project.
- 126 – 200: Significant local capacity demonstrated through pas projects, past rehabilitation and community improvement efforts, citizen participation, and strong evidence of a significant commitment to proceed with the project.

4. Community Support

Up to 100 points possible. A minimum of 50 points must be earned in this section or the application will not meet threshold and will not be funded. A description of public participation and the process used to identify community needs and allocate resources to address the community's needs. Overall, the level of capacity, commitment, and support from the public will be compared to other applicants.

What collaboration and outreach has been incorporated within this project? These contributions will directly benefit the overall project success with no quantifiable cost associated with that contribution (these contributions are not recorded on the Part II).

The answer should include:

- Identification and letters from individuals and/or entities that have participated in project pre-development planning. Project pre-development planning takes place prior to the application being submitted;
- Identification and letters of commitment from individuals and/or entities involved in the project, post award. Describe each entity’s role in making the project a success; and
- Commitment letters that describe the specific actions the organization will take.

Points in this section will include:

- 0 – 75: Lack of local staff or ability to oversee the rehabilitation efforts from planning to the implementation of the project.
- 76 – 125: Local capacity is demonstrated through past projects, past rehabilitation, and community improvement efforts, citizen participation, and evidence of a commitment to proceed with the project.
- 126 – 200: Significant local capacity demonstrated through past projects, past rehabilitation, and community improvement efforts, citizen participation, and strong evidence of a significant commitment to proceed with the project.

5. Matching Funds

Up to 50 points 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 OOR project will be eligible for points. See *Section 4.02* of the Application Guidelines. The table below further describes these criteria.

Matching Funds	
50 points	10% or greater of total project costs
25 points	5-9.99% of total project costs
10 points	3-4.99% of total project costs
0 points	Less than 3% of total project cost

6. Municipal Equalization Fund (MEF)

Up to 100 points possible. No minimum points in this section are required in order to meet threshold.

A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provides a level of local resources. DED will incorporate the MEF calculation in the scoring criteria for this program category. Narrative is not required under this section.

7. Achievement

Up to 50 points possible. No minimum points in this section are required in order to meet the threshold. Applicant must demonstrate any of the following items at the time of application submittal, including:

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

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

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 OOR application. These Exhibits must be submitted with the application.

- **Exhibit A:** Notice of Public Hearing (including Proof of Publication or Certificate of Posting and summary of citizen's comments)
- **Exhibit B:** Authorizing Resolution (Original or Certified copy)
- **Exhibit C1:** Statement of Assurances and Certification
- **Exhibit C2:** Citizen Participation Plan
- **Exhibit D:** Residential Antidisplacement and Relocation Assistance Plan
- **Exhibit K1:** Waiver of Procurement Process (narrative)
- **Exhibit K2:** Procurement Process Completed Prior to Application (narrative)
- **Exhibit L:** FFATA Federal Funding Accountability and Transparency Act
- **Exhibit N:** System for Award Management (SAM) record and clearance documentation
- **Exhibit O1:** Four Factor Analysis Assessing Limited English Proficiency
- **Exhibit O2:** Language Access Plan (optional at the time of application)
- **Exhibit P:** Owner Occupied Rehabilitation Activity Guidelines and Reuse Plan

NOTE: *Exhibit K1 is only required when Applicant will act in its official capacity or has retained the services of a professional and can provide documentation to the appointed person(s) or firm(s) for three consecutive years, including the program year for which they are seeking funds. Exhibit 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.*

Any additional attachments that are provided within the application should be appropriately labeled and noted as the information provided within the OOR Table of Contents Checklist. These attachments 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 this objective by funding activities authorized under the federal Housing and Community Development category. These particular guidelines concern owner occupied rehabilitation. Other guidelines for comprehensive development, planning, community development, economic development, downtown revitalization, and any other CDBG programs can be obtained from DED. **If additional guidance from HUD is received, DED will notify all applicants of any new requirement by Policy Memo.**

Section 1.01 Eligible Applicants

Except as provided in *Section 1.03* of the Application Guidelines, Eligible Applicants include every Nebraska incorporated municipality (either a City or Village) and are not classified as a CDBG Entitlement Community.

Section 1.02 Types of Applicant

Eligible applicants may submit one type of application:

1. **Individual:** Except as provided in *Section 1.03*, an eligible municipality may apply only for projects within its corporate limits.

Section 1.03 Special Policies for Applicants

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

1. A municipality may not submit an application for projects undertaken outside its corporate limits unless the projects either:
 - a. Occur within its zoning jurisdiction; or
 - b. Involve property acquired by the municipality prior to project implementation through purchase, donations, or a permanent easement.
2. If an application requires participation of entities that are not eligible applicants, each such entity must provide written assurance that it concurs with the project and is committing its resources, if any, as stated in this application. A grantee/sub-grantee agreement that stipulates the decision-making authority, administration, contract compliance, reporting, etc. should be executed and submitted with the application. In all instances, the grantee has the final responsibility for implementation of the project and must retain environmental and financial responsibility.
3. Eligible applicants may provide CDBG funds to a sub grantee neighborhood-based nonprofit organization *NOTE: proof of nonprofit status, such as Secretary of State designation, must be included with the application.* The entire jurisdiction of a unit of general local government that is under 25,000 population.

Section 2.01 Compliance with the CDBG National Objective

The primary national CDBG objective is the development of viable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income persons. Under these guidelines, this is accomplished by funding projects that meet at least one of three

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

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

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

- a. **Housing activities: *Housing activities.*** An eligible activity carried out for the purpose of providing or improving permanent residential structures that, upon completion, will be occupied by low and moderate income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property by the unit of general local government, a subrecipient, an entity eligible to receive assistance under section 105(a)(15) of the Act, a developer, an individual homebuyer, or an individual homeowner; conversion of nonresidential structures; and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. If two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure.

Section 2.02 Compliance with State Housing Objective

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

Section 2.03 Compliance with State Priorities

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

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

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

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

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

- Improved availability/accessibility
- Improved affordability
- Improved sustainability

Section 3.01 Compliance with State Housing Priorities

The State's Housing Priority Need includes the necessity to respond to regional needs for affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. The purpose of the OOR Category is to promote housing preservation by improving the quality of Nebraska's existing affordable housing; which is one of four objectives as identified within Housing Priority Need section of the State's Consolidated Plan.

Section 3.03 Ineligible Activities

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

1. General administrative and audit costs that exceed the allowable 10% of the total amount of CDBG hard costs.
2. Construction management costs, where applicable, that exceed the allowable \$8,000 maximum.
3. Housing management costs, where applicable, that exceed the allowable 10% of the total amount of CDBG hard costs.
4. Buildings, or portions thereof, used predominantly for the general conduct of government cannot be assisted with CDBG funds. Such buildings are defined as city and village halls, county administrative buildings, state capitols, or office buildings or other facilities in which the legislative or general administrative affairs of the government are conducted. This definition does not include such facilities as neighborhood service centers or special purpose buildings located in LMI areas that house various non-legislative functions or services provided by government at decentralized locations. This does not exclude, however, the removal of architectural barriers in order to make public buildings accessible to elderly and handicapped persons.
5. General government expenses cannot be paid with CDBG funds, except for those costs that are directly attributable to administration of a local CDBG program and are documented as such. (Eligible cost expenses are detailed in 2 CFR Part 200).
6. CDBG funds cannot be used to pay for facilities or equipment used for political purposes or to engage in other political activities such as candidate forums, voter transportation, or voter registration. However, a facility originally financed in whole or in part with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

7. The purchase of equipment with CDBG funds is generally ineligible, except (a) the purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowances pursuant to 2 CFR Part 200 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible; and (c) that purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with 2 CFR Part 200, as applicable) for such items when necessary for use by a municipality or country in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service.
8. ***The general rule is that any expense associated with repairing, operating, or maintaining public facilities, improvements, and services is ineligible.*** Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible, even if no other costs of providing such a service are assisted with such funds.

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

9. The general rule is that CDBG funds cannot be used for income payments for housing or any other purpose. Example of ineligible income payments include: payments for income maintenance, housing allowances, down payments, and mortgage subsidies. One time payments made on behalf of persons or families to meet emergency needs such as housing or essential utilities is not an income payment and is eligible.
10. CDBG funds may be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction when required to provide last resort housing under the Uniform Relocation Act. Activities in support of the development of LMI housing including clearance, site assemblage, provision of site improvements and public improvements and certain housing preconstruction costs are considered activities to subsidize or assist new residential construction.

Section 3.04 Eligible Activities

Activities eligible for assistance under the state's CDBG program are only those authorized in Section 105(a) of the amended 1974 HCD Act. The general rule is that any activity listed in Section 105(a) may be funded in whole or in part with CDBG funds. Below is a partial list of activities from Section 105(a). Communities should be aware that although an activity may be legally eligible under Federal statute and HUD regulations, it may not be competitive under the guidelines and ranking system in the Nebraska CDBG Program. The State has adopted priorities, listed in *Section 3.01*, which increase the likelihood of funding of certain activities. Restrictions are identified in *Sections 3.02* and *3.03* above.

1. The acquisition of real property (including air rights, water rights, and other interests therein) which is
 - a. Blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth;
 - b. Appropriate for rehabilitation or conservation activities
 - c. Appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;
 - d. To be used for the provision of public works, facilities, and improvements eligible for assistance under this program; or
 - e. To be used for other public purposes.
2. The acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements.
3. Code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, may be expected to arrest the decline of the area.
4. Clearance, demolition, removal, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and finance public or private acquisition for rehabilitation, and rehabilitation, or privately owned properties and including the renovation of closed school buildings).
5. Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons.
6. Payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for relocation of individuals and families displaced by CDBG activities.
7. Disposition (through sale, lease, donation, or otherwise) of any real property acquired with CDBG funds or its retention for public purposes.
8. Payment of the nonfederal share required in connection with a federal grant in-aid program undertaken as part of activities assisted under this program.
9. Relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determines by the grantee to be appropriate activities.
10. Payment of reasonable administrative costs and carrying charges related to the planning and execution of the community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in Section 701(e) of the Housing Act of 1954 on the date prior to the enactment of the Housing and Community Development Amendments of 1981.

11. Activities which are carried out by public or private nonprofit entities, including:

- a. Acquisition of real property;
- b. Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government),
- c. Site improvements, and
- d. Utilities.

Section 4.01 Maximum Grant Amount

The maximum grant amount will be \$250,000. OOR applications that are funded will receive Community Development Block Grant (CDBG) funds.

For the current Program Year \$2,000,000 is anticipated for the OOR category.

Section 4.02 Matching Funds

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

General Administration and Housing Management do not require any matching funds.

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 or 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 subgrantee of the unit of general local government with CDBG funds, less the costs incidental to the generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except in instances where “Payments of principal and interest made by a subgrantee carrying out a CDBG activity for a unit of general local government, toward a loan from the local government to the subgrantee to the extent that program income received by the subgrantee is used for such payments;” [See also 24 CFR 570.489(e)(2)(iii)];
6. Proceeds from the sale of loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
7. Proceeds from the sale of obligations secured by loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
8. Interest earned on funds held in a revolving fund account;
9. Interest earned on program income pending disposition of the income;
10. Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not of low and moderate income, if the special assessments are used to recover all or part of the CDBG portion of a public improvement; and
11. Gross income paid to a unit of general local government or subgrantee of the unit of general local government from the ownership interest in a for-profit entity acquired in return for the provision of CDBG assistance.

Section 5.01 Submission of Applications and Selection of Grantees

Eligible local governments (i.e. a City or a Village only) may apply individually and receive one grant per year in the OOR Category.

Applications must be submitted according to the provisions stated in *Section 1.01 through Section 1.03*. **OOR optional pre-applications will be accepted through August 4, 2017. OOR full applications will be accepted through October 6, 2017.** Applications will be accepted during this period based on US Postal Service postmark date or date of delivery by other means.

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

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

CDBG National Objective

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

- LMI: Benefiting low-to-moderate income persons (housing);

In addition, in order to meet threshold, the applicant must meet the following requirements:

- OOR applicant meets minimum selection criteria scores as noted within the Selection Criteria Matrix.

OOR applicants meeting threshold requirements are reviewed by DED on a competitive basis according to the selection criteria established in *Section 5.04*. Applicants ranking highest in competitive order shall be selected for funding, subject to the amount of funds available.

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 group’s representative of LMI persons ;
 - c. A **minimum of two public hearings**, each at a different stage of the program, for the purpose of obtaining citizen’s views, responding to proposals and questions (specifically during the application phase, the hearing(s) must cover community and housing needs, development of proposed activities to be undertaken, the amount of funds requested, the estimated amount proposed to benefit LMI persons, the amount and source of matching funds, if any, and the applicant’s plans for minimizing displacement of persons as a result of CDBG assisted activities and for assisting person actually displaced; and specifically during the implementation phase, the hearing(s) must review program performance). The minutes of the public hearing and the public hearing notice are to include each listed statement. Public hearings for joint applicants must be held in each participant’s jurisdiction and the application must be available for public inspection at each locality.
 - d. A process for responding to complaints and grievances within 15 working days; and
 - e. The needs of non-English speaking residents where a significant number of them can be expected to participate in public hearings.
2. The **residential anti-displacement and relocation assistance plan** must be adopted and certified by the local government and be available to the public. A certification and plan is required even if the applicant is not proposing activities which will result in demolition or in the conversion of an LMI unit to a use other than LMI housing. The plan must contain two components (a) one-for-one replacement unit requirement, and (b) a relocation assistance component.
- a. One-for-one replacement unit requirement applies to all occupied and vacant occupiable LMI dwelling units that will be demolished or converted to another use as a direct result of a CDBG assisted activity. Occupiable dwelling unit is a residential unit that is in standard condition or in a substandard condition, but suitable for rehabilitation.
 - 1) An LMI dwelling unit is defined as a unit with a market rental, including utility costs, that does not exceed the Section 8 fair market rent (FMR) as established by HUD. Whenever assisted rehabilitation raises the rent above the FMR that unit must be replaced.
 - 2) A “vacant occupiable dwelling unit” is a unit in standard condition or a unit in substandard, but is suitable for rehabilitation; or a dwelling unit that has been occupied (except for a squatter) at any time one year prior to the Notice of the 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 costs.
 - 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 must be:
 - Located within the same jurisdiction
 - Sufficient in number and size to house at least the number of occupants that were or could have been housed; according to local occupancy codes;
 - Provided in standard condition or brought up to a standard condition; and

- Designed to remain LMI units for ten (10) years.
 - Replacement units may include public housing and housing with section 8 project-based assistance.
- 6) Assistance cannot be obligated to the demolition or conversion activity until the local government makes public and submits to DED information that identifies:
- The activity – the location and number of units by bedroom size
 - The proposed demolition or conversion scheduler
 - 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 family displaced by the demolition or conversion to another use of any housing unit because of an assisted activity. Persons must be provided assistance as prescribed in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.(49 CFR Part 24) or 24 CFR 570.496a(c).
3. The **procurement process** for consultant selection must be outlined in accordance with *Section 5.05 (3) Competitive Proposals*. A grantee must use procurement procedures that are in conformance with State and local laws and regulations, Federal law and the standards identified for grantees within 2 CFR200.300–345.

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

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

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

Applicants shall complete **Exhibit K1** if this process as described in *Section 5.05* will not be used. The applicant must state why and identify and describe the process used for selecting a consultant. This also includes the process used for selecting of the consultant that implements the project. **Exhibit K2** shall be completed if the procurement process is completed prior to submission of application. Procurement process must follow state and federal requirements with the exception of the Applicant/Grantee acting in their own capacity.

Supplemental materials must be provided that clearly demonstrate the applicant community carried out the procurement process, this includes documentation that a reasonable number of appropriate firms were contacted directly and in a meaningful manner. Documentation must also include a narrative indicating the method of procurement, reasoning for selecting that method, how and by whom the

procurement process was carried out, and any other pertinent information about the procurement process, including a description of how the applicant made meaningful contact to a reasonable number of appropriate firms (e.g. five). As an example, meaningful contact may involve an applicant sending the request for proposal directly to firms known to complete the scope of work and follow up with a phone call or email that confirms receipt of the request.

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

Section 5.03 OOR Program Priority Point System for Selection

Full applications are scored based on the scoring criteria as identified within the Selection Scoring Criteria Matrix.

The Matrix below describes each selection criteria as a numerical score within the OOR Program. The maximum number of points available within any application is 1,000 point. A minimum score of 350 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

Selection Criteria	Maximum	Threshold Minimum
1. Project Need	250	100
2. Project Impact	250	100
3. Project Readiness	200	100
4. Community Support	100	50
5. Matching Funds	50	-
6. Municipal Equalization Fund (MEF) Score	100	-
7. Achievements	50	-
Total	1,000 points	350 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

Up to 250 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The significance of the Project Need will be scored as compared to other applicants.

How does the proposed project provide a solution to the immediate housing needs of the primary community(ies) being served? Be specific to the type of project proposed. (Include statistical data (that is cited) to support the proposed project. Also, include independent sources that must be cited and include any relevant information within the application.)

The answer should:

- Describe how the need was determined for the community and/or region;
- Describe the clearly defined, systematic, and inclusive public participation process, and the extent of public involvement, used to identify and address community needs and allocate resources;

- Describe how the proposed project accomplishments will reduce or eliminate the need in the primary project area; and
- Describe any plans to address any remaining housing needs.

Points in this section include:

- 0 – 75: No clear description of the need for the project.
- 76 – 150: Reasonably defined project need that is average compared to other applicants.
- 151 – 250: Above average description of project need.

2. Project Impact

Up to 250 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. ***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.

A) How does the proposed project impact the targeted community(ies)/region? Provide clarity on how the project will benefit those identified by a CDBG National Objective.

B) Describe the significant planning efforts and implementation of necessary ordinances, codes and enforcement.

C) Is the project located in a community and region that is working on other community development activities (both public and private)? Provide specific examples; including but not limited to: DED Leadership Community; CDBG CR or CIS community; Economic Development Certified Community designation; or an Enterprise Zone (serve the lowest income occupant and are obligated to serve qualified occupants for the longest period of time).

D) What significant employment opportunities are located within close proximity to the project?

The answer should:

- Describe planning and enforcement process and implementation as related to the project;
- Include the top employers within the primary community(ies) and within the region of the project being served. List the number of employees per employer; and
- Summarize the overall employment opportunities available in the project area for the persons served by the project.

Points in this section include:

- 0 – 75: Inadequately defined project impact.
- 76 – 150: Reasonably defined project impact that is average compared to other applicants
- 151 – 250: Above average description of project impact.

3. Project Readiness

Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The significance of the Project Readiness will be scored as compared to other applicants.

A) Describe the **Applicant's** capacity and commitment to implement the project in a timely manner. Does the applicant have potential contractors for the project to ensure timely completion of the project?

The answer should:

- Detailed documentation of the projects (both housing and non-housing) and/or DED-funded projects the Applicant has completed in the past 10 years;
- List of the individuals that will be working on the project and a description of each individual's role in project implementation (including: who will be primarily responsible for the success of the project; who will handle the day to day operations of the project; who will inspect, evaluate, and review the progress of the project; and any other individuals that will participate within the project);
- List of Grantee-requested contract extensions on any housing projects for years 2010, 2011, 2012, 2013, 2014, 2015, or 2016, including the reason the extension was requested; and
- Include your prequalified contractor list, which includes those contractors with whom you have proven experience. Indicate length of association and scope of experience.

B) Describe the **Administrator's** (selected for the project) capacity and commitment to implement the project in a timely manner.

The answer should include:

- Detailed documentation of the housing projects the Administrator has completed in the past 5 years;
- Detailed documentation of the DED-funded projects (both housing and non-housing) the Administrator has completed in the past 5 years;
- Copy of the transition (succession) plan including Board approval;
- List of the individuals that will be working on the project and a description of each individual's role in project implementation (including: who will be primarily responsible for the success of the project; who will handle the day to day operations of the project; who will inspect, evaluate, and review the progress of the project; and any other individuals that will participate within the project); and
- List of Grantee-requested contract extensions on any housing projects for years 2010, 2011, 2012, 2013, 2014, or 2015, and 2016, including the reason the extension was requested.

Points in this section include:

- 0 – 75: Lack of local staff or ability to oversee the rehabilitation efforts from planning to the implementation of the project.
- 76 – 125: Local capacity is demonstrated through past projects, past rehabilitation, and community improvement efforts, citizen participation, and evidence of a commitment to proceed with the project.
- 126 – 200: Significant local capacity demonstrated through pas projects, past rehabilitation and community improvement efforts, citizen participation, and strong evidence of a significant commitment to proceed with the project.

4. Community Support

Up to 100 points possible. A minimum of 50 points must be earned in this section or the application will not meet threshold and will not be funded. A description of public participation and the process used to identify community needs and allocate resources to address the community’s needs. Overall, the level of capacity, commitment, and support from the public will be compared to other applicants.

What collaboration and outreach has been incorporated within this project? These contributions will directly benefit the overall project success with no quantifiable cost associated with that contribution (these contributions are not recorded on the Part II).

The answer should include:

- Identification and letters from individuals and/or entities that have participated in project pre-development planning. Project pre-development planning takes place prior to the application being submitted;
- Identification and letters of commitment from individuals and/or entities involved in the project, post award. Describe each entity’s role in making the project a success; and
- Commitment letters that describe the specific actions the organization will take.

Points in this section will include:

- 0 – 75: Lack of local staff or ability to oversee the rehabilitation efforts from planning to the implementation of the project.
- 76 – 125: Local capacity is demonstrated through past projects, past rehabilitation, and community improvement efforts, citizen participation, and evidence of a commitment to proceed with the project.
- 126 – 200: Significant local capacity demonstrated through past projects, past rehabilitation, and community improvement efforts, citizen participation, and strong evidence of a significant commitment to proceed with the project.

5. Matching Funds

Up to 50 points 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 OOR project will be eligible for points. See *Section 4.02* of the Application Guidelines. The table below further describes these criteria.

Matching Funds	
50 points	10% or greater of total project costs
25 points	5-9.99% of total project costs
10 points	3-4.99% of total project costs
0 points	Less than 3% of total project cost

6. Municipal Equalization Fund (MEF)

Up to 100 points possible. No minimum points in this section are required in order to meet threshold.

A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provides a level of local resources. DED will incorporate the MEF calculation in the scoring criteria for this program category. Narrative is not required under this section.

7. Achievements

Up to 50 points possible. No minimum points in this section are required in order to meet the threshold. Applicant must demonstrate any of the following items at the time of application submittal, including:

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

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

Section 5.04 Use of Consultants

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

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

- a. Work requires special professional services, such as accounting, architectural, engineering, or legal services;
- b. Local staff is inexperienced in the area of grant writing or project administration, or is already committed to other ongoing activities; or,
- c. 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 consulting to assist with the preparation of an application; however, these costs are not eligible for reimbursement.

Several points should be considered before selecting any consultant, engineer, architect, planner, housing management administrator, or other professional to help assure that the community will receive satisfactory

service. The **procurement process** for consultant selection must be outlined in detail in accordance with *Section 5.03(3) Competitive Proposals*. In specific instances, K1 Procurement Processes 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 5.03(3) will not be used. The applicant must state why and identify the process that will be used for selecting a consultant. This also includes the process used for selecting the application preparer if that firm or individual is a part 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 the application. Procurement process must follow state and federal requirements with the exception of the Applicant/Grantee acting in their own capacity.

a. **“Loss-Leader” Arrangements**

“Loss-leader” arrangements, where a consultant offers to prepare a grant application or preliminary engineering estimates at cut rates or at no cost in return for a future contract if the application or preliminary engineering studies, are not eligible for reimbursement with CDBG funds. However, loss-leader arrangements violate federal regulations which require “maximum open and free competition.” Professional organizations also consider this practice unethical because it deprives the client of the benefits that can result from competition among competent, professional firms.

b. **Selection of Engineers or Administrative Consultants Prior to Grant Award**

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

- 1) 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;
- 2) When a community wants to conduct one procurement process to cover both grant preparation and grant administration; and

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 a CDBG. Any such contract also would have to have the prior approval of the Department of Economic Development to assure that federal procurement procedures were 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.

c. **Competitive Proposals**

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

Competitive proposals are advertised and requested from several qualified sources.

HUD regulations for competitive proposals require the following:

- 1) Requests for proposals (RFP's) or qualifications (RFQ's) must be publicized and identify all evaluation factors and their relative importance (examples might be technical expertise of the firm and its personnel – 25 points; Past record of performance on projects of similar nature, including quality of work and cost control – 25 points; familiarity with CDBG program – 20 points; capacity of firm to perform the work within the time schedule – 20 points; nature and extent of services proposed versus estimated fees – 10 points, etc.);
- 2) Proposals must be solicited from an adequate number of qualified sources (at least three);
- 3) Grantees and sub-grantees must have a method for conducting technical evaluations of the proposals received according to the criteria specified in the RFP and for selecting awardees.
- 4) Awards must be made to the responsible firm whose proposal is most advantageous to the program, with price and other specified factors considered;
- 5) Grantees may use competitive proposal procedures for qualification based procurement of architectural/engineering (A/E) professional services, whereby competitor's qualifications are evaluated and the most qualified competitor is selected subject to negotiation of fair and reasonable compensation.

The method, where price is not used as a selection factor, can only be used in procurement of Architectural or Engineering services.

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

A response to an RFP should 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. Competitive proposals refer to the comparison of qualifications and may include fees where required or deemed appropriate. However, the main focus in selecting the consultant is to evaluate the content of the proposal and the consultant's qualifications and demonstrated competence.

d. References

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

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

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

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

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

e. Involve Local Staff

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

Section 5.05 Requirements for Submitting Applications

To apply for funds under these guidelines, an eligible applicant must complete the APPLICATION FOR OWNER OCCUPIED REHABILITATION 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 applicable)*. All parts must be completed according to instructions before an application will be considered for funding. Applicants shall be contacted by DED if their application is incomplete. Incompleteness applies only to *Part I – General Information* and *Part II – Funding Summary*. When all deficiencies have been corrected, DED will resume the review process.

Section 5.06 Post Award Requirements

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

1. Records

All information on grant-assisted activities must be retained for ten years following completion and closeout of the grant. During the grant period, performance reports are required semi-annually.

2. 2 CFR Part 200 Subpart F

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

3. Davis-Bacon Act

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

4. Acquisition/Relocation

Regulations for acquisition and relocation emphasize anti-displacement and should be discussed with the Department URA representative at the beginning of the project. The Uniform Relocation and Real Properties Acquisition Act (URA) apply to all federally assisted activities that involve the acquisition of real property or the displacements of persons. If CDBG funds are used in any part of the project, the URA would govern the acquisition of real property, including easements, and any resulting displacement, even if local funds are used to pay the acquisition costs. The URA requirements may include: formal notification of the affected property owner(s), preparation of an appraisal to determine fair market value, and a written purchase offer based on an amount determined to be fair market value. The only exception is a voluntary transaction that meets certain criteria.

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

5. Procurement

Open and free competition on solicitation of professional services or construction bidding is also required. 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. For more information see *Section 5.05* of the Application Guidelines.

6. Environmental Review

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

7. Special Assessments

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

8. Equal Opportunity, Fair Housing, and Handicap Accessibility

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

9. 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 required by 72-804-806 NRRS, and provide for Nebraska Energy Office (NEO) review of plans and specifications (at no cost) that meet said standards. This applies to lighting, heating, cooling, ventilating, or water heating equipment or controls, as well as building envelopes.

As an alternate compliance method when a licensed architect and/or engineer have designed a subject building, a Designer Certification may be submitted to NEO instead of building plans and specifications. The certification form, which will be provided by the NEO, will attest that the building design complies and provide summary information about the design.

When the Energy Office has determined that a subject building complies, or has received documentation of alternate compliance, it will provide a Verification of Construction form on which it must be certified that the building is constructed substantially according to the plans. At key points during construction, the building should be inspected to verify that insulation and other envelope components, and all specified lighting, heating, cooling, ventilation, 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.

10. Continued Use

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

Section 6.01 Glossary of Terms

Age of Seniors

For purposes of this program and qualifying a project as meeting the low- and moderate-income national objective by principally benefitting seniors, a senior citizen is a person aged 62 or older.

Annual Action Plan

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

Assessment Abatement

To pay fees levied against private property for the costs of public facilities activities (see special assessment). In order to maximize benefit to low- and moderate-income households, funds may be used to abate the assessments for these owner-occupied households.

Beneficiary

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

Community Development Need

A demonstrated deficiency in housing stock, public facilities, economic opportunities, or other services that is necessary for developing or maintaining viable communities.

Comprehensive Strategic Approach

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

Consolidated Plan

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

Department or DED

Nebraska Department of Economic Development. The state agency that administers the federal Community Development Block Grant State Program for communities under 50,000 population with funds allocated to the US Department of Housing and Urban Development.

Disability

Any condition or characteristic that renders a person an "individual with disabilities" as defined in 24 CFR Part 8.3 (Code of Federal Regulations). An "individual with disabilities" means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment.

Eligible Activities

Those activities authorized in Section 105(a) of the amended 1974 Housing and Community Development Act. However, the State and local participants have developed priorities, listed in *Section 3.01*, that best serve their interests and increase the likelihood of being funded.

Family

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

Firm Public or Private Commitment

An agreement by a private or public party to take part in a local community development project. The party must demonstrate the capacity to carry out the activity specified in the grant application. The agreement may take the form of a city council or county board resolution, letter from a governmental agency, or a letter of credit from a private lending institution.

Flood and Drainage

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

Grant Closeout

The process by that the department determines that the grant recipient and the department have completed all applicable administrative actions and all required work.

Grant Contract

The legally binding contract between the state and a grant recipient. It consists of the notice of grant award, special conditions to the contract, certifications to comply with applicable state and federal regulations, the project budget, and the grant application.

Household

All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing and Community Development Needs Assessment

A statement by the applicant that lists the community's development needs, including housing needs and needs of low- and moderate-income persons and strategies to address the needs. Required of all applicants to be eligible for CDBG funding under Title I of the Housing and Community Development Act.

Income

The total gross income (before taxes) of all members of a family who are age 15 or older. Income includes all monies received by all members of the family such as gross wages and salaries, bonuses, tips, interest, dividends, social security, other retirement, supplemental security income, welfare, disability, VA payments, unemployment, alimony, other. A family that is involved in a business where the finances are interrelated with

the family budget (such as a farmer) should consider their income as net after expenses, as reported to the Internal Revenue Service.

Language Assistance Plan (LAP)

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

Leverage

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

Limited English Proficient Person (LEP)

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

Low- and Moderate-Income

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

Low- and Moderate-Income Person

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

Lower-Income Person

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

Municipal Equalization Fund (MEF) score

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

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

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

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

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

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

Neighborhood

A geographic location with the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government that is under 25,000 population.

Neighborhood-based nonprofit organization

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

Non-administrative costs

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

One-page Project Summary

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

Single Purpose Project

One or more activities designed to meet a specific community development need.

Special Assessment

A fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement or a onetime charge made as a condition of access to the improvement. The amount of the fee represents the pro rata share of the capital costs of the public improvement levied against the benefitting properties. For additional information see, *Section 3.02 (3)*.

Target Area

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

Units of Accomplishment

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

Vital Document

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