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Section A. Overview

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

The purpose of the Tourism Development (TD) Category is to provide investments in effective and affordable tourist attraction facilities to quality communities that are investing in long-term development. This provides a sound basis for assisting tourist attraction projects that have attracted significant financial support and are likely to have long-term positive impacts on their local and regional economies. Tourist attractions projects that serve both a regional and a local economy of community need are a key element in satisfying the state objective. The objective of Tourism Development is to assist tourism development projects that have already attracted significant financial support and are likely to have long-term positive impacts on the local and regional economies.

The maximum grant amount for TD project costs is up to $400,000, exclusive of supporting project costs and general administration. The minimum amount for TD project costs is $250,000 per community or unincorporated county.

FOR MORE INFORMATION
For further information, please contact the following primary contact for this program. See also Chapter 1 for more information and Chapter 9 for the Exhibits for the application.

Steve Charleston, CDBG Program Manager
Nebraska Department of Economic Development
PO Box 94666, Lincoln, NE 68509-4666
Phone: 1 (402) 471-3757
Email: steve.charleston@nebraska.gov
http://opportunity.nebraska.gov/CDBG
1. ELIGIBLE APPLICANTS
Except as provided in Section 1.03 of the Application Guidelines, eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island). See the “Fundability Threshold Requirements” for specific thresholds that are also considered in determining eligibility. For more information, see Sections 1.01, 1.03, and 5.01 of the Application Guidelines.

2. ELIGIBLE ACTIVITIES
The following activities are eligible within the TD Program. Please note, eligible tourism development projects, define tourist attractions (for profit, public, or private) that are expected to draw 2,500 visits or more from origins of at least 100 miles away.

If any activity is not noted within the list below, please consult the primary contact.
- Historic Restorations, priority buildings and sites listed on the National Register Historic Places
- Scientific and Educational Interpretive Educational Sites & Facilities
- Participatory Sports Facilities
- Convention Centers
- Cultural and Heritage Recreational Sites and Facilities
- Supporting Activities that include Removal of Material and Architectural Barriers that Restrict the Mobility and Accessibility to sites/Facilities for the Elderly and Severely Disabled Individuals in Support of Eligible Tourism Activities.

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

3. GRANT AMOUNTS & MATCHING FUNDS

<table>
<thead>
<tr>
<th>Tourism Development Category – Key Maximums and Requirements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Project Costs</td>
<td>$400,000</td>
</tr>
<tr>
<td>Minimum Project Costs</td>
<td>$250,000</td>
</tr>
<tr>
<td>General Administration</td>
<td>10% of CDBG project costs, not to exceed $25,000</td>
</tr>
<tr>
<td>Construction Management</td>
<td>$10,000</td>
</tr>
<tr>
<td>Local Matching funds</td>
<td>25% Project Costs</td>
</tr>
</tbody>
</table>

NOTE: The applicant must not use grant funding for general administrative support for the local government or a regional organization. TD funds are for either the physical development of a new tourism attraction or physical improvements to existing tourism attractions. TD funds will not replace current funding levels of local and regional organizations.

**Match Requirements**

Under the TD program category, activities require a 25% match. No more than half of the total project match may be in-kind source contributions.

Proposed match must be from CDBG eligible activities directly related to the proposed project(s). 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. The amount of match must be calculated in dollars.

*General Administration and Construction Management do not require match.*

For more information, see Section 4.02 of the Application Guidelines.
4. APPLICATION DUE DATES AND PROCESS
Applications are prepared at the applicants’ expense and costs are not reimbursable. DED awards grants under this category to an eligible local government to carry out local project activities meeting the National and State CDBG objectives. Applications for TD program category accepted beginning May 1, 2019 and considered on an open cycle. Applications must be submitted as a **hard copy** to the address listed below, and submitted **electronically** via Sharefile (https://negov.sharefile.com/r-raaa131918a14a6fb).

Nebraska Department of Economic Development
ATTN: CDBG TD Application
PO Box 94666
Lincoln, NE 68509

Applications reviewed, by DED, according to the selection criteria established in **Section 5.03** of the Application Guidelines.

Applications recommended for award through these processes are 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 upon approval of the recommendation. A letter of non-selection is issued to those applicants not recommended for award.

5. FUNDABILITY THRESHOLD REVIEW CRITERIA
Projects are to be completed within twenty-four (24) months following notice of approval. For a complete list of general fundability threshold requirements to apply for resources from any CDBG category and special policies for TD Applicants, see Sections 5.01 and 5.02 of the Application Guidelines.

CDBG National Objective

All CDBG-funded project activities (including any required match and leverage funds) must meet one of two National Objectives of the CDBG Program. **A project or project activity that fails to meet a national objective is ineligible for CDBG resources.** These national objectives are briefly described below:

- Benefitting low- to moderate-income persons (LMI), including:
  - On an area basis (LMA),
  - Serving a limited clientele (LCM), or
  - LMI Housing (LMH); or
- Aiding in the prevention or elimination of slums or blight, including:
  - On an area basis (SBA) and
  - On a spot basis (SBS).

**DED gives priority to projects meeting a LMI National Objective.** For more information, see **Section 2.01** of the Application Guidelines.

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

7. APPLICATION SELECTION CRITERIA MATRIX AND PROJECT DESCRIPTION
Each category has a Selection Criteria Matrix used by the respective review committees to score applications. Applicants are required to submit a **project description identifying the nature and scope of the project**, including match activities. Limit your description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project. Furthermore, Applicants are encouraged to use this description as the basic framework for the forthcoming environmental review record (ERR) project description. Additional details about the decision-making process and benefits of the proposed project are articulated under the...
subsequent project narrative and any supplemental attachments provided by the applicant to substantiate project need, impact, readiness, and community support. **IMPORTANT NOTE:** all exhibits and attachments must supplement and not be considered as a replacement for narrative under any section or component of the application.

The matrix below describes each selection criteria as a numerical score within the TD Category. The maximum number of points available within any application is 1,000 points. A minimum score of 300 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.

<table>
<thead>
<tr>
<th>TD Selection Criteria</th>
<th>Maximum</th>
<th>Threshold Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Project Need</td>
<td>200</td>
<td>75</td>
</tr>
<tr>
<td>2. Project Impact</td>
<td>200</td>
<td>75</td>
</tr>
<tr>
<td>3. Project Readiness</td>
<td>250</td>
<td>100</td>
</tr>
<tr>
<td>4. Community Support</td>
<td>150</td>
<td>50</td>
</tr>
<tr>
<td>5. Match</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td>6. LMI Benefit</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td>7. Municipal Equalization Fund (MEF) Score</td>
<td>100</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total** 1,000 points 300 points

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

In order for your application to be scored and ranked effectively, carefully review the contents of this section. This section contains all forms and listing of exhibits and attachments for submission with your application. 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.

If there are, more applicants requesting funds than there are funds available, applicants must carefully read and review the Application Guidelines and the selection criteria described to develop a competitive application. Applicants must attach a Table of Contents to their application; this is provided on the following page. In submitting your application, these instructions must be followed:

- Submit **ORIGINAL** and a complete **PDF** copy. PDF copy should be complete with bookmarks and, where appropriate, functional hyperlinks to documents or other resources referenced in the application.
- Two-hole punched at top.
- Do not fold, staple, or bind in any way.
- Table of Contents must be included.
- Number all pages sequentially at the bottom of the page.
- Label all Exhibits at the bottom right-hand corner of the page.
- Label all Attachments at the bottom right-hand corner of the page.

Failure to follow these instructions may result in the return of your application for correction. If requested by DED, submit corrections and revisions to an application within **one week**.

Below is an outline of a TD application:

- **Cover Sheet** *(include project name and location)*
- **Table of Contents** *(use Table of Contents Checklist)*
- **Part I. General Information** *(use required form)*
- **Part II. Funding Summary** *(use required form)*
- **Part III. Project Budget**
- **Part IV. Project Description & Scoring Criteria**
  - Project Description *(follow instructions, See Section 5.03)*
- **Part V. Required Exhibits and Attachments**
  - Required Attachments
  - Required Exhibits *(See Exhibits Chapter for more information)*
- **Part VI. Additional Attachments** *(if applicable, supplemental materials provided by applicant)*
**Table of Contents & Checklist**

Applicants must attach this Table of Contents to their application. Type in additional items as deemed necessary to your project under Part VI. List appropriate page numbers under **PAGE NUMBER** column.

***Please note: Table of Contents continues on the following page***

*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 [EXAMPLE] as requested in each exhibit. The omission or incomplete description as requested in bracketed text may cause a delay in application review and awards process.*

### PROJECT INFORMATION

<table>
<thead>
<tr>
<th>Part I – General Information</th>
<th>PAGE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part II – Funding Summary</td>
<td></td>
</tr>
<tr>
<td>Part III – Project Budget</td>
<td></td>
</tr>
<tr>
<td>Part IV – Project Description &amp; Scoring Criteria</td>
<td></td>
</tr>
<tr>
<td>Project Description</td>
<td></td>
</tr>
<tr>
<td>Item 1 – Project Need</td>
<td></td>
</tr>
<tr>
<td>Item 2 – Project Impact</td>
<td></td>
</tr>
<tr>
<td>Item 3 – Project Readiness</td>
<td></td>
</tr>
<tr>
<td>Item 4 – Community Support</td>
<td></td>
</tr>
<tr>
<td>Item 5 – Match</td>
<td></td>
</tr>
<tr>
<td>Item 6 – LMI Benefit</td>
<td></td>
</tr>
<tr>
<td>Item 7 – MEF</td>
<td></td>
</tr>
<tr>
<td>Item 8 – Bonus Points</td>
<td></td>
</tr>
</tbody>
</table>

**Part V – Required Attachments**

<table>
<thead>
<tr>
<th>Attachment 1 – Facility Floor Plan (for all facility projects)</th>
<th>PAGE NUMBER</th>
</tr>
</thead>
</table>

**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 ........................................
E3. LMC Worksheet (*Only for Limited Clientele*) ....................
E4. Job Creation/Retention Information (*Only for LMI*) ..............
F1: Slum and Blight Area Basis Documentation ........................
F2: Slum and Blight Spot Basis Documentation ........................
K1a. Waiver of Procurement Process and Narrative* ....................
K1b. Waiver of Procurement Process and Narrative (Development Districts)* ........................................
K2. Procurement Process Completed Prior to Application* ..........
L. ...Federal Funding Accountability and Transparency Act (FFATA) Form ........................................
M. Map of Proposed Project Area .........................................
N. ...System for Award Management (SAM) Record and Clearance Documentation ........................................
O1. Four Factor Analysis Assessing Limited English Proficiency ...........................
O2. Language Assistance Plan (optional at the time of application) .................................................................
Q. Local Cost Share (documentation of local matching funds) ...........................................................................

Part VI – Additional Attachments (when applicable)
Attachment (number and title)................................................................................................................................

Part VI: ADDITIONAL ATTACHMENTS (NOT REQUIRED, only provided by applicant where available)
Attachment 4 (title) ..............................................................................................................................................
Attachment 5 (title) ..............................................................................................................................................
Attachment 6 (title) ..............................................................................................................................................
Attachment 7 (title) ..............................................................................................................................................

*See Sections 5.02 and 5.04 of the Application Guidelines and Chapter 9 for additional information.
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 a person the applicant’s employee who is most familiar with the application, and not a regional council, or community action agency staff person, consultant or other applicant non-employee. Include the Federal Tax Identification number and DUNS number of the Applicant. The DUNS number can be obtained via D&B online at [http://fedgov.dnb.com/webform](http://fedgov.dnb.com/webform) or requested by phone at 866-705-5711 or for persons with a hearing impairment, the TTY number is 866-814-7818. Enter the e-mail address for the local unit of government or local contact.

2. **Person Preparing Application:** Enter the name, mailing address, and telephone number of the person who prepared the application. If prepared by a firm, identify the staff contact person, include the Federal Tax Identification number of the firm, development district, or nonprofit. Provide preparer’s email address. Check the appropriate application preparer status box. For more information regarding use of consultants, see Section 5.04 of the Application Guidelines.

3. **Activity Type:** Check the appropriate box under which funds are requested.

4. **Funding Sources:** Enter the dollar amounts of CDBG funds requested for this project. Enter the amount of all other funds identified in the application that you are committing to this project. **ROUND AMOUNTS TO THE NEAREST DOLLAR.** (Other funds include matching funds. Matching Funds are those project funds required in Section 4.02. Be certain that the figures are added correctly and are the same as provided in Part II).

5. **Application Type:** Check the appropriate application type box under which funds are requested. For a joint application, attach a copy of the written agreement as stipulated in Section 1.03(3) and include a list of other applicants.

6. **Project Name and Location:** Provide the name of project and the primary location of the project.

7. **Use Summary:** Provide a short, explicit summary of the project activities in measurable terms for which funds are requested. **There is no need to include funding information.** In addition, check the box and ATTACH A PROJECT DESCRIPTION. For more information about the project description, see Section 5.03 of the Application Guidelines.

8. **Certifying Official:** Only the signature of the applicant’s chief elected official 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 of time), and the applicant receives prior written approval from DED. Type the name and title of both signers and the date of their signatures.
**Tourism Development (TD) Application**

Community Development Block Grant (CDBG)

Nebraska Department of Economic Development (DED)

**PART I. GENERAL INFORMATION**

**TYPE OR PRINT ALL INFORMATION**

<table>
<thead>
<tr>
<th>1. APPLICANT IDENTIFICATION</th>
<th>2. PERSON PREPARING APPLICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Name</td>
<td>Name</td>
</tr>
<tr>
<td>Mailing Address</td>
<td>Organization</td>
</tr>
<tr>
<td>City, State, ZIP</td>
<td>Address</td>
</tr>
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<td>County</td>
<td>City, State, ZIP</td>
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<td>Local Contact</td>
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<td>Telephone</td>
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</tr>
<tr>
<td>Fax</td>
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<tr>
<td>Federal ID #</td>
<td>Application Preparer (Check One)</td>
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<tr>
<td>DUNS #</td>
<td>☐ Local Staff</td>
</tr>
<tr>
<td>SAM Expiration Date</td>
<td>☐ Non-Profit</td>
</tr>
<tr>
<td></td>
<td>☐ Consultant</td>
</tr>
<tr>
<td></td>
<td>☐ Economic Development District</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>3. ACTIVITY TYPE</th>
<th>4. FUNDING SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Tourism Development</td>
<td>CDBG Funds Requested $</td>
</tr>
<tr>
<td></td>
<td>Other Funds $</td>
</tr>
</tbody>
</table>
|                  | Total Funds $      | *(Round amounts to the nearest dollar)*

<table>
<thead>
<tr>
<th>5. APPLICATION TYPE</th>
<th>6. PROJECT NAME AND LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Individual</td>
<td></td>
</tr>
<tr>
<td>☐ Joint</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7. USE SUMMARY:</th>
<th>8. CERTIFYING OFFICIAL:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of the project for which CDBG funds are requested.</td>
<td>Chief elected officer of local government requesting CDBG funds.</td>
</tr>
<tr>
<td>☐ Project Description Attached</td>
<td>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.</td>
</tr>
</tbody>
</table>

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/](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 Instruction

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

Enter the dollar amount of CDBG funds requested for each major activity. Enter the amount of other funds that you are committing to each activity and identify the source. All matching funds shown on the application must comply with all CDBG requirements. Select the single most specific code to describe the nature of the activity being funded. For example, if property will be acquired and a senior center will be constructed with CDBG funds, code the activities 091 Senior Center rather than 010 Acquisition. You would include appraisal, acquisition, architectural, and construction costs with 091 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.

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

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

Identify the sources of matching funds and provide written documentation (Exhibit Q) of availability of matching funds. Please be certain that the figures are correctly added and the column totals are consistent throughout. Ultimately, the information provided is used as the foundation for your CDBG contract sources and uses table, if selected for an award.

For more information, see Sections 3.04, 4.01 and 4.02 of the Application Guidelines.
## Part II: Funding Summary

<table>
<thead>
<tr>
<th>Activity Code-Activity</th>
<th>Nat’l Objective *</th>
<th>Proposed Unit Type **</th>
<th>CDBG Funds</th>
<th>Matching Funds^2</th>
<th>Total Funds</th>
<th>Sources of Matching Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>0010 Acquisition/Easements</td>
<td>1</td>
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<td></td>
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<td>0030 Clearance/Demolition</td>
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<td>0070 Public Facilities &amp; Improvements</td>
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<tr>
<td>0090 Community Centers</td>
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<td>0091 Senior Centers</td>
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<tr>
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<td>0490 Architectural Barriers</td>
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</tr>
<tr>
<td>0690 Fixed Assets / Land &amp; Buildings</td>
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<tr>
<td>0750 Fixed Assets / Machinery &amp; Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Businesses</td>
</tr>
</tbody>
</table>

**SUBTOTAL PROJECT COSTS**

| 0380 Construction Mgmt | 1 | |            |          |            |                        |

**SUBTOTAL SUPPORTING PROJECT COSTS**

| 0181 GENERAL ADMINISTRATION | | | |          |            |                        |

**1000 TOTAL AMOUNT**

---

*Must correspond to CDBG National Objective for primary activity.

**NOTE: If additional categories are needed, add supplemental pages to the application.**

**For each activity enter the most appropriate National Objective Code and complete the summary information below. Refer to Section 2.01 of the Application Guidelines.**

**The most common Proposed Units of Accomplishment types include: People, Housing Units, Businesses, and Jobs. List the most appropriate proposed primary beneficiary group. Identify the most appropriate proposed type of primary beneficiary group in the table and list the proposed number of beneficiaries below.**
NATIONAL OBJECTIVE SUMMARY INFORMATION
INSTRUCTIONS: Check all that apply and provide requested summary information.

☐ LMC: Benefit Low/Moderate Income Persons on a limited clientele basis.
   Proposed total number of beneficiaries: _____
   Submit Exhibit E3. Identify application page number(s) for source/narrative documentation: _____.

☐ LMJ: Activities benefitting Low/Moderate Income Persons.
   Proposed total number of beneficiaries: _____Total jobs _____Total jobs benefiting LMI Persons.
   Submit Exhibit E4 Job Creation/Retention Information (Only for LMJ)

☐ SBA: Activities benefitting slums/blight on an area basis
   Designated: (year) Re-designated (where applicable): (year).

☐ SBS: Activities benefitting slums/blight on a spot basis
   Designated: (year) Re-designated (where applicable): (year).
Part III: Project Budget

INSTRUCTIONS: The proposed project budget includes costs for project delivery (project and supporting project costs) and administration. All items listed as match and CDBG costs must be allowable and eligible under the CDBG Program.

Detailed information provided in this section will be used to evaluate the accuracy and reasonableness of activity costs shown in Part II Funding Summary and throughout the application. Indicate the date and source of cost estimates. Provide name, address, phone, and e-mail of person(s) who prepared the estimates. Department reserves the right to seek clarification on budgeted items.

Project Costs

Provide a breakdown of the major project delivery costs by listing the activity description and activity code number for each activity. Common line item costs include: real property acquisition, legal expenses, architectural and engineering fees, project inspection fees, site work, demolition and removal, construction, equipment. Any items listed as “miscellaneous” or “contingencies” must also include 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 in a separate column. If awarded, these types of contributions are referenced in your CDBG contract, but not explicitly listed in the sources and uses table. For more information about in-kind costs, see Section 4.02 of the Application Guidelines.

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 costs may include architectural or engineering fees incurred or obligated prior to Release of Funds, fees for services not procured, equipment, or furnishings not affixed to building, etc.

Supporting Project Costs

Construction Management (0380) costs are labor standards enforcement costs.

General Administration Costs

The general administration (0181) budget includes those costs that are administrative in nature with exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc. Common line items costs are environmental review, fair housing activities, financial audit (if necessary), labor standards enforcement, preparation of required grant progress reports and drawdowns.
Part IV: Project Description & Scoring Criteria

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

Project Description Instructions

Applicants are required to submit a project description identifying the nature and scope of the project, including match activities. Limit your project description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project.

This description should include how the project proposes to address one primary objective and outcome as described in Section 2.03 of the Application Guidelines. For example, the proposed tourism development activities ultimately involving improvements to the cultural event center that expands economic opportunities for providing improved availability and accessibility for elderly/severely disabled persons for facility use in Anytown.

The review team utilizes your project description to determine eligibility of project activities and provides overall context to the selection criteria. This description is of vital importance to review and score an application based on the criteria and thresholds set forth in this program category. Applicants are encouraged to use this description as the basic framework for the forthcoming environmental review record (ERR) project description. Additional details about the benefits of the proposed project are articulated under the subsequent project narrative and any supplemental attachments provided by the applicant to substantiate project need, impact, readiness, and community support. IMPORTANT NOTE: attachments should supplement and not be considered as a replacement for narrative.

The Matrix below describes each selection criteria as a numerical score within the TD Program. The maximum number of points available within any application is 1,000 points. A minimum score of 300 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.

<table>
<thead>
<tr>
<th>TD Selection Criteria</th>
<th>Maximum</th>
<th>Threshold Minimum</th>
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</thead>
<tbody>
<tr>
<td>1. Project Need</td>
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<td>75</td>
</tr>
<tr>
<td>2. Project Impact</td>
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<tr>
<td>3. Project Readiness</td>
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<td>100</td>
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<tr>
<td>4. Community Support</td>
<td>150</td>
<td>50</td>
</tr>
<tr>
<td>5. Match</td>
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<td>-</td>
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<tr>
<td>6. LMI Benefit</td>
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<td>-</td>
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<tr>
<td>7. Municipal Equalization Fund (MEF) Score</td>
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<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1,000 points</td>
<td>300 points</td>
</tr>
</tbody>
</table>

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

For more information, and for a detailed list and description of each selection criteria, see Section 5.03 of the Application Guidelines.
Part V: Exhibits and Attachments

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

Identified below and provided within the Table of Contents Checklist is a list of required exhibits. All Exhibit information and templates are found in Chapter 9. For more information about required Attachment information, see Section 5.03 of the Application Guidelines.

The following required Exhibits include the certification and documentation requirements for 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 Certifications
- **Exhibit C2:** Citizen Participation Plan
- **Exhibit D:** Residential Anti-displacement and Relocation Assistance Plan
- **Exhibit E3:** LMC Worksheet (Limited Clientele)
- **Exhibit E4:** Job Creation/Retention Information
- **Exhibit F1:** Slum and Blight Area Basis Documentation *(where appropriate)*
- **Exhibit F2:** Slum and Blight Spot Basis Documentation *(where appropriate)*
- **Exhibit K1a:** Waiver of Procurement Process and Narrative*
- **Exhibit K1b:** Waiver of Procurement Process and Narrative (Development Districts)*
- **Exhibit K2:** Procurement Process completed prior to Application and Narrative*
- **Exhibit L:** FFATA Federal Funding Accountability and Transparency Act
- **Exhibit M:** Map of Proposed Project Area (See Item 5 of Part IV Project Description)
- **Exhibit N:** Systems for Award Management (SAM) Record and Clearance Documentation
- **Exhibit O1:** Four Factor Analysis Assessing Limited English Proficiency
- **Exhibit O2:** Language Assistance Plan (optional at the time of application)
- **Exhibit Q:** Local Cost Share (documentation of local matching funds)

* See Sections 5.02 and 5.04 of the Application Guidelines and Chapter 9 for additional information.

The following attachments are required (where applicable) for the TD application.

- **Attachment 1:** Facility Floor Plan (for all facility projects)
Section C. Application Guidelines

The primary objective of Nebraska’s nonentitlement Community Development Block Grant (CDBG) Program is to develop viable communities and counties by providing decent housing, suitable living environments, and expanded economic opportunities principally for low- and moderate-income (LMI) persons. As the designated state administering agency, the Nebraska Department of Economic Development (DED) accomplishes this objective by funding activities authorized under the federal Housing and Community Development Act of 1974, as amended, and designed to meet the objectives for the CDBG Tourism Development category. These particular guidelines concern Tourism Development (TD) program category. If HUD provides additional guidance, DED will notify all applicants of any new requirement by Policy Memo.

Section 1.01 Eligible Applicants
Except as provided in Section 1.03, eligible applicants include every Nebraska country and incorporated municipality under 50,000 in population and are not classified as a CDBG Entitlement Community (Omaha, Lincoln, Bellevue, and Grand Island).

Section 1.02 Types of Applicants
Eligible applicants may submit one of two types of applications:

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

Section 1.03 Special Policies for Applicants
Special policies affection Section 1.01 and Section 1.02 are:

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

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

3. A joint application must include a written agreement made in accordance with state law (Interlocal Cooperation Act) that
   a. Stipulates that the parties will cooperate in undertaking the project;
   b. Delineates responsibilities and authorities of each party with respect to grant administration; and
   c. authorizes one of the parties to act as primary agent for administrative and monitoring purposes. The applicant local government in a multi-jurisdictional application must also be a direct participant in the study/project. The applicant local government cannot serve only as a pass-through for CDBG funds or only as the general administrator of the study/project.
4. If an application requires participation of entities that are not eligible applicants, each such entity must provide written assurance that it concurs with the project and is committing its resources, if any, as stated in the application. 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.

5. Eligible applicants may provide CDBG funds to a sub grantee neighborhood-based nonprofit organization. Note: proof of nonprofit status, such as a Secretary of State designation, must be included with the application.

6. Applicants must request a minimum of $250,000 of project costs, excluding, supporting project costs and general administrative costs.

Section 2.01a Compliance with the Low and Moderate Income (LMI) National CDBG Objective

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

The primary CDBG National Objective met by the applicant under the Tourism Development Category is the benefit to low- to moderate-income persons.

1. Benefit to Low-and-Moderate Income Persons (referred to throughout this document as LMI persons): LMI persons are defined as a member of a family having an income equal to or less than the income limits established by HUD for their resident county. The income limits established by HUD at [www.huduser.org/datasets/il.html](http://www.huduser.org/datasets/il.html) are determined for each Nebraska County on the higher 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. Limited Clientele Activities (LMC): These are activities that provide a benefit to a specific group of persons rather than everyone in a general area. It may benefit particular persons without regard to the area in which they reside, or be an activity that provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51% of the beneficiaries of the activity must be LMI persons. Applicants will complete and submit Exhibit E3. To qualify under this subcategory, the activity must meet one of the following tests:

   (1) Exclusively benefit a clientele who are generally presumed by HUD to be principally LMI persons. The following groups are currently presumed by HUD to be made up principally of LMI persons: abused children, battered spouses, elderly persons, adults meeting Bureau of Census’ definition of severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm worker

   (2) Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limit, this includes the case where the activity is restricted exclusively to LMI persons

   (3) Be of such nature and in such location that it may reasonably be concluded that the activity’s clientele will primarily be LMI persons (e.g. a daycare center that is design to serve residents of a public housing complex)
(4) Be an activity that removes material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting Bureau of Census’ Current Population Reports definition of “severely disabled”, provided it is restricted, to the extent practicable, to the removal of such barriers by assisting the reconstruction of a public facility or improvement or rehabilitation of a privately-owned nonresidential building that does not qualify under LMI area benefit criteria.

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

b. Job Creation/Job Retention (LMJ): An activity generally meets this national objective when it is designed to create or retain permanent jobs where at least 51% of the jobs, computed on a full time equivalent (FTE) basis of 2,080 hours, involve the employment of LMI persons.

Permanent jobs are full- or part-time positions provided by the assisted business that will be, or can reasonably be expected to be, occupied for at least six continuous months. Seasonal jobs may be considered if the season recurs annually and lasts at least three consecutive months. All permanent jobs must be converted to FTEs. Temporary jobs (e.g. construction jobs) are not considered permanent jobs. Submit Exhibit E4.

For an activity that creates jobs, the local government must document by certification with the business that at least 51% of the permanent jobs will be held by or will be available to LMI persons.

(1) Permanent jobs will be considered held by LMI persons when the jobs are held for six or more continuous months by individuals who are LMI at the time of hire.

a. Permanent jobs will be considered to be available to LMI persons if:

   ▪ Special skills that can be only acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training

   ▪ The local government and the assisted business take actions to ensure that LMI persons receive first consideration for filling such jobs. Principles involved in first consideration are:
     o The business must use a hiring practice that in all likelihood will result in 51% of the persons hired being LMI
     o The business must consider a sufficient number of LMI applicants to meet this intent
     o The distance from residence and the availability of transportation to the job site must be considered in determining whether a particular LMI person can be considered an applicant for the job.

(2) For an activity that retains permanent jobs, the local government must document through a certification by the business that permanent jobs would actually be lost without the CDBG assistance and that at the time CDBG assistance is provided one of the following apply:

a. At least 51% of the permanent jobs are known to be filled by LMI persons
b. At least 51% of the permanent jobs can reasonably be expected to turn over within the following two years and that steps will be taken to ensure that the permanent jobs will be filled by, or made available to, LMI person upon turnover. (See (1) above for conditions when jobs are to be held by or available to LMI persons.

As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this objective. Where CDBG funds are used to acquire, develop, or improve real property (e.g. a business incubator or an industrial park), this objective may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided such businesses are not otherwise assisted by CDBG funds.

(3) If a business receives other CDBG assistance, the total CDBG amount cannot be more than $35,000 per job created/retained.

(4) If meeting the National Objective of Benefit to Low and Moderate Income person through job creation/retention funds an attraction, the total CDBG amount cannot be more than $35,000 per job created/retained. The minimum wage to qualify as a job meeting this criterion is $11.50 per hour.

**Job Creation/Retention Requirements:** The primary national CDBG objective is to expand employment opportunities, principally for low-and-moderate-income persons (LMI persons). To be eligible, a CDBG project must guarantee at least 51 percent of the permanent full-time equivalent jobs (FTE’s) created or retained are available to or taken by LMI person. Definitions for these terms are:

(1) **Full Time Equivalent (FTE):** Jobs are computed on a full time equivalent basis of 2,080 hours per year or 40 hours per 52 weeks per year.

(2) **LMI Person:** A person whose family income is equal to or less than the income limits for their resident country.

(3) **Permanent Jobs:** A job is permanent if it is a full- or part-time position and will be, or can reasonably be expected to be, available for at least six continuous months. Seasonal jobs may be considered. Not eligible are temporary jobs (i.e. construction jobs related only to the project’s new or renovated real estate) and jobs indirectly related to the assisted business. (i.e., trickle-down jobs). Generally contracted workers are not considered.

(4) **Available To:** Jobs will be considered to be available to LMI person if special skills that can only be acquired with substantial training or work experience beyond high school are not a prerequisite to fill the jobs and LMI person are given first consideration for such jobs.

(5) **Retained Jobs:** Retained jobs would be lost without CDBG assistance. Documentation is necessary to show that at least 51% of the jobs are known to be held by LMI person, or steps will be taken to ensure that at least 51% of the jobs which can reasonably be expected to become available through turnover within the following two years will be filled by or made available to, LMI persons.

Section 2.01b **Explanation of the LMJ National Objective in Nebraska**

The CDBG program provides for economic development grants provided it meets a national objective of creating full time, permanent jobs which primarily benefit low-to-moderate income persons (LMI). This low-to moderate income jobs activity
standard (or “LMJ”) is one which creates or retains permanent jobs, on a full-time equivalent (or “FTE”) basis, of which 51% are either “held by” LMI persons or considered to be “made available to” LMI persons. Jobs can be “retained” or kept (from being lost) when it is demonstrated that CDBG assistance is required, provided the positions retained are filled (or will be filled) with at least 51% LMI persons.

**Background** -- Occasionally, in limited circumstances, rather than the job being *held by* an LMI person, a lesser standard of compliance, called making the job *available to* LMI persons, may be substituted to achieve the LMJ compliance. However, this "available to" standard is a less satisfactory choice, and compliance with the "available to" standard requires compliance with fairly rigorous regulatory standards. LMI jobs “retained” also has stringent requirements. CDBG Economic Development grants have other national objective standards that can be met, including LMC (“limited clientele”) or LMA (low-to- moderate income on an “area” basis), but this provides guidance for the application of jobs “made available to” or “held by” or “retained” LMI persons to achieve the LMJ standard and meet the national objective. How an employment position is considered to meet the LMJ national objective and other related definitional matters, can be found in the regulatory literature (noted below).

- Housing and Urban Development (“HUD”) CDBG regulations found in 24 CFR Part 570
- *Basically CDBG for States* (July 2014) HUD, Office of Block Grant Assistance
- *Guide to National Objectives and Eligible Activities for State CDBG Programs* (December 2014) HUD, Office of Community Planning and Development

**Jobs “held by” or “made available to” or “retained” -- LMI persons defined:** a job is “held by” a LMI person if at the time when employment begins, whose family (household) income falls at or below the program’s income limits. This test counts the entire family (household) income. Note that the wage of the job taken is irrelevant.

In addition, a job applicant who meets the test of “made available to” is determined to be a LMI person based on the person’s family (household) income status at the time the applicant being considered or offered a job (when CDBG assistance is provided). The income the person would make from the assisted job under consideration is not included in the calculation.

Jobs that are “retained” (and not lost due to CDBG assistance) are considered held by a LMI person if at the time of assistance, the family (household) income falls at or below the program’s income limits. A retained job can also be considered, if within two years, the job (while not currently held by a LMI person) would “turnover” and the new employee filling that position would likely be “held by” or “made available to” a LMI person. This method requires disclosure by and certification of existing employees.

**Jobs “made available to” LMI persons defined: both of the following tests are met**—
State grant recipient and/or the assisted business take actions to ensure that the LMI persons receive “first consideration” for filling the jobs; **AND**, the filled jobs do not require special skills that can only be acquired with substantial training or work experience (that is, one year or more) and education beyond high school is not required to fill the positions – unless the business agrees to hire unqualified persons and train them.

- **“First consideration” for jobs “made available to” LMI persons defined:**
  - The business must use a hiring practice that under usual circumstances would result in over 51% of LMI persons interviewed for the jobs being hired.
  - The business must seriously consider a sufficient number of LMI persons as job applicants to give reasonable opportunity to fill the position with such LMI persons.
  - The distance from residence and availability of transportation to the job site must be reasonable before an LMI person may be considered a serious applicant for the job.

**Jobs “retained” as a result of CDBG assistance, defined:**
There must be *clear and objective evidence* that permanent jobs will be lost without CDBG assistance.

- The *definition of “clear and objective” evidence* that jobs will be lost includes:
Evidence that the business has issued a notice to affected employees or made a public announcement to that effect; OR,

Analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned intervention.

To meet the LMI person jobs standard, at least 51% of the “retained” jobs must be either:

The retained jobs are known to be held by LMI persons at the time CDBG assistance is provided. To document the “retained” employee status, a survey must be done of existing employees which reveals the family or household income. Note that existing employees may not wish to provide income of the family or household (in a self-certification), hence documenting this may be difficult; AND/OR jobs not known to be held by LMI persons, but which can be reasonably expected to “turn over” to LMI persons within two years. (This would involve the grant recipient or business taking actions to ensure that such a job, upon turnover, will be either held by or made available to a LMI person in a manner similar to that pertaining to a newly created job).

- Note that, since the determination of LMI status is to be made based on income at the time the CDBG assistance is provided, a person who occupies a high-paying but low-skilled job may not qualify as a LMI person in a retained job, but the same job might be filled by a LMI person if it were to be created (instead of retained) or if it were to become available to be filled through turnover by a LMI person.

- For retained jobs, the family (household) must be LMI at the time the job is retained. Thus, a high-paying unskilled job might count as a created job but might not be counted for retention except for turnover purposes.

- For an activity that retains jobs, the grant recipient/business must document that the jobs would be actually lost without the CDBG assistance. If at least 51% of the jobs to be retained at the time the CDBG assistance is provided, then the job(s) are known to be held by a LMI person. If the job can reasonably be expected to turn over within the following two years, and that it will be filled by, or steps will be taken to ensure that it is made available to a LMI person upon turnover, then the job can be counted as a retained job.

Jobs that can be counted:
Part-time jobs are converted to FTEs, and only permanent jobs count (temporary may not be included). Seasonal jobs are considered permanent only if the season is long enough for the job to be considered the employee’s permanent occupation.

All jobs created or retained by the activity must be counted (even if the activity has multiple funding sources). If “additional” jobs are created, they must be counted and meet the LMI test also. Jobs created or retained by an assisted activity (i.e., a “spin off” job) may not be counted (for example, jobs created by an unrelated company which supplies the business firm being assisted). See the special requirements for “aggregation of jobs” when there exists multiple benefited businesses.

Provisions for aggregating jobs:
As a general rule, jobs from each business receiving CDBG assistance must be considered separately for purposes of demonstrating compliance with the LMJ requirements. Even if the state or its grant recipient considers the CDBG-funded activity to be a business loan fund, HUD generally considers assistance to each business as a separate activity. However, there are certain circumstances under which state grant recipients may aggregate the jobs created or retained by two or more assisted businesses for this purpose, as follows:

- Where CDBG funds are used to acquire, develop, or improve real property (for example, a business incubator, an industrial park, or shopping mall), jobs may be aggregated for all of the businesses which locate on the property, provided such businesses are not otherwise assisted with CDBG funds.
Where CDBG funds are used for public facilities or improvements (infrastructure), that will result in the creation or retention of jobs by more than one business, the jobs created or retained by all such businesses as a result of the public facility or improvement may (and sometimes must) be aggregated, using the following ground rules:

**When aggregating jobs is required:**
Where such an improvement (to infrastructure or public facilities) is undertaken for the benefit of one or more specific businesses, but the improvement clearly benefits other businesses or allows other sites to be developed, jobs created or retained as a result of the public improvement, by all businesses in the service area of the infrastructure, must be aggregated.

**EXAMPLE:** A city’s existing industrial park is fully developed and cannot accommodate a new metal stamping plant that wishes to locate in the city. The city buys an adjoining parcel, divides it into four lots, and uses CDBG funds to install water, sewer, and roads through the parcel to serve the new plant. However, the other three lots in the parcel are now developable because these improvements serve them too. The city must aggregate the metal stamping plant jobs plus any jobs which are created or retained as a result of other businesses subsequently locating on the other three lots—even if no other business had committed to locate there at the time the improvements were constructed.

**PROVIDED:** Where such an improvement is undertaken principally for the benefit of one or a few particular businesses, and the cost (in CDBG funds) for the facility/improvement amounts to less than $10,000 per job to be created or retained by those businesses, only the jobs created or retained by those specific businesses for which the facility/improvement is principally undertaken need to be aggregated. The state grant recipient can disregard any incidental job creation that might occur because other businesses might also benefit from the improvement.

**PROVIDED:** Where the CDBG cost per FTE job expected to be created or retained is $10,000 or more, jobs created or retained as a result of the public improvement, by all businesses in the service area of the infrastructure, must be aggregated. The aggregation must include all businesses which, as a result of the public improvement, locate or expand in the service area of the improvement between the date the state awards the CDBG funds to the state grant recipient and the date one year after the physical completion of the facility/improvement.

**EXAMPLE:** The state provides a CDBG grant to allow the city to double the capacity of its sewage plant (and handle a new poultry processing plant), at a cost of $11,200 per new poultry plant job. Over the next 12 months, four new businesses decide to locate in town, because the city has sufficient sewage treatment capacity to handle their effluent. The city must aggregate job creation figures for the poultry plant plus the four new businesses.

**Records to be maintained:**
Maintaining records to demonstrate LMJ compliance can be quite challenging. Not only do businesses often dislike having to provide special reports or keep special records, but individuals who hold a job to be retained or who are taking or being considered for a newly created or a “turnover” retained job may resist providing information concerning their family (household) income. The following outlines the records that must be kept:

**The following guidelines apply to ALL projects:**
When CDBG grant assistance is provided to a business for the purpose of creating or retaining jobs, the grant recipient must have on file a written agreement with the business in which that business agrees to retain or create a specific number of jobs, including the following details (if applicable):

- Identifies each such job by type and whether the job will be full- or part-time. Part-time jobs must be defined in full-time equivalency status (noting hours etc).

- The business must identify job titles and job types following the EDA (Economic Development Administration) job descriptions, and include job prerequisites (which includes, for semi-skilled jobs, any special education or experience required).
- The agreement must also specify the actions the business and the grant recipient will take to ensure that at least 51 percent of the jobs created or retained will benefit LMI persons.

- The agreement must also specify the “baseline” employees (that is, document positions that exist prior to the creation of new jobs) along with records to support the baseline determination to evidence that newly created positions are not redundant or duplicative. Records should include a listing, by job title, of employees at the time the application for assistance.

- When demonstrating that at least 51 percent of the jobs created will be made available to LMI persons, documentation must include a written commitment by the business that it will make at least 51 percent of the jobs available to LMI persons and will provide training for any of those jobs requiring special skills or education. and for semi-skilled jobs, any special education or experience required. Records should include a description of how the LMI status of those given first consideration was determined.

- The program records also must document which jobs were actually created and retained, whether each such job was held by, or made available to a LMI person.

- To show evidence that the hiring practices under usual circumstances would result in over 51% of LMI persons interviewed for the jobs being hired, documentation may include (for example):
  - Evidence to support the conclusion that a majority of jobs will be filled by LMI persons, such as company policies, labor market search areas, special conditions or history of the business, etc.
  - Evidence to assure accessibility of the jobs to areas where substantial numbers of low- and moderate-income persons reside.
  - Evidence to support any special outreach or training to be directed toward LMI persons, which may include day care facilities, busing of workers to the job site, allowances or stipends for extra travel involved, etc.
  - Include a statement that the business agrees to provide necessary personnel records during the life of the project (and after, if a longer maintenance period is called for). Note that it is best to not include sensitive data (employee social security numbers, for instance) in the CDBG file.

- The grant recipient will need to decide which subcategory it wants to qualify the activity under and record that decision in the loan agreement. This is important so that the HUD, the State, the business and the grant recipient will know which criteria are being applied. The method chosen must be stated clearly at the onset of the project.

**Documenting the LMI status of an applicant or employee:**
The grant recipient can use any combination of documenting income status for the persons benefiting from a job creation or retention activity, from the following list:

- A written self-certification by the employee or applicant of his/her family size and total income that is signed and dated. The certification can either include actual size and income of family or can contain a statement that the annual family income is below the income limit for the applicable family size; OR,

- Referrals from an agency that has agreed to refer individuals who are determined to be LMI based on HUD’s category. (Agencies must maintain records, which must be available to the state or federal inspection, showing the basis for determining that the person was LMI); OR,

- Qualification of employee or application for assistance under another program with income qualification that are as restrictive as those used by the CDBG program. Examples include referrals from Public Housing, Welfare Agency, or the JTPA Program, with the exception of the JTPA Title III program for dislocated workers; OR,
Evidence that the individual is homeless; OR,

Evidence that the individual may be presumed to be LMI by way of residence address and poverty rates of applicable census/American Community Survey tract.

Other Considerations:
Note that certain job creation or retention activities may also be undertaken by a CDFI or as part of a Community Revitalization Strategy and thereby could meet the L/M income benefit national objective based on area benefit in lieu of jobs. Other national objectives that benefit LMI persons may be easier to document or more appropriate based on the nature of the CDBG TD project, including LMC (Limited Clientele) or LMA (LMI on an Area Basis). These alternative national objectives are discussed elsewhere, but work for CDBG TD purposes.

LMJ Creation and Retention Documentation
- Written agreement with the business in which the following is specified:
  - Evidence supporting the estimate of the total number of jobs.
  - A listing, by job title, race, ethnicity, gender and handicapped status of the permanent jobs created, and which jobs were made available to low- and moderate-income persons, and a description of how first consideration was given to such persons for those jobs. That description should include the hiring process used; the number of low- and moderate-income persons considered for each job; and the number of low- and moderate-income persons actually hired.
  - A description of how, the total number of jobs was determined.
  - A listing, by job title, race, ethnicity, gender and handicapped status of the permanent jobs actually created and those initially taken by low- and moderate-income persons.
  - A description of how the low- and moderate-income status of those hired was determined by the state during the review of the recipient.
  - A written commitment by the business to meet the standard for retained jobs involving the employment of low- and moderate-income persons.
  - A listing by job title, race, ethnicity, gender and handicapped status of the employees at the time the assistance is provided.
  - A written commitment by the business to meet the standard for retained jobs involving the employment of low- and moderate-income persons.

Section 2.01c Compliance with the Slum & Blight (SB) CDBG National Objective in Nebraska
1. Aid in the prevention or elimination of slums or blight: “Slums” has the same meaning as substandard areas as defined in Section 18-2103(10) Neb. R.R.S. “Blight” has the same meaning as blighted areas as defined in Section 18-2103(11) Neb. R.R.S. A copy of the Community Development law is available upon request from DED.

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

a. On an area basis: An activity will be considered to meet this objective if (1) the area is designated by official action of the local government as substandard or blighted in accordance with the applicable state statute; and (2) there is a substantial number of deteriorated or deteriorating structures throughout the area, or public improvements throughout the area are in a general state of deterioration; (3) the assisted activity is designed to address one or more of the conditions that contributed to the deterioration of the area; (4) documentation is provided and maintained by the recipient on the boundaries of the area and the conditions that qualified the area at the time of its designation; and (5) activities to be assisted with CDBG funds must be limited to
those that address one or more of the conditions that contributed to the deterioration of the area. Submit Exhibit F1.

b. **On a spot basis:** An activity must be designed to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area; and be limited to one of the following: acquisition, clearance, relocation, historic preservation, or rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety. (Public improvements cannot qualify under this standard except for rehabilitation of public buildings and historic preservation of public property that is blighted). Submit Exhibit F2.

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

1. Officially designated and meet the requirements of State statutes;
2. Demonstrate signs of economic disinvestment, indicated by either:
   a. A substantial number of deteriorated or deteriorating buildings throughout the area or
   b. As a whole, public improvements throughout the area must be in a general state of deterioration;
3. Documentation is maintained substantiating those conditions considered as a part of designation and re-designated every 10 years; and
4. The activities assisted with CDBG funds must be limited to those that address one or more of the conditions that contributed to the decline of the area.

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

**Section 2.02 Compliance with State Economic Development Objective**

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

**Section 2.03 Compliance with State Priorities**

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

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

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

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

- Improved availability/accessibility
- Improved affordability
- Improved sustainability

Section 3.01 Compliance with State Tourism Development Priorities

The purpose of the Tourism Development (TD) Category is to provide investments in effective and affordable tourist attraction facilities to quality communities that are investing in long-term development. This provides a sound basis for assisting tourist attraction projects that have attracted significant financial support and are likely to have long-term positive impacts on their local and regional economies. Tourist attractions projects that serve both a regional and a local economy of community need are a key element in satisfying the state objective. The objective of Tourism Development is to assist tourism development projects that have already attracted significant financial support and are likely to have long-term positive impacts on the local and regional economies.

Section 3.02 Special Policies for Activities

Special policies affecting activities listed in Section 3.04 are:

1. **Facilities containing both eligible and ineligible uses:**
   A public facility otherwise for assistance under the CDBG program may be provided with CDBG funds even if it part of a multiple use building containing ineligible uses, if:
   a) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and
   b) The grantee can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility. Allowable costs are limited to those attributable to all eligible portion of the building or facility.

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

3. **Special Assessments:**
The term special assessment means the recovery of the capital costs of a public improvement, such as streets, water, or sewer lines, curbs, and gutters, through a fee or charge levied or filled as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. This term does not relate to taxes on property or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

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

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

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

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

**Section 3.03 Ineligible Activates**

This section identifies ineligible activities. In general, any tourism development activity not described or referenced in Section 3.04, or any tourism development activity that does not meet a national objective is ineligible for consideration. In addition, Tourism Development grants hall not be used for funds.

1. General administrative and audit costs that exceed the allowable maximum. Applicant may request up to 10% of Project Costs for General Administration activities, not to exceed $25,000.

2. Construction management costs, where applicable, that exceed the allowable $10,000 maximum.

3. Activities (sites, attractions, and establishments) that serve more often as tourism support facilities other than attractions, such as eating and drinking places, commercial lodging, accommodations, gasoline stations, and gift shops.

4. Direct development of a CDBG application.

5. 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 capitol, 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 area 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.

6. 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).

7. 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 sued 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.

8. 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 (b) fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible, and (c) the 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 county in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service.

9. 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 maintain 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) payments of salaries for staff, utility costs, and similar expenses necessary for the operation of tourism development and facilities.

9. 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.

10. The general rule is that CDBG funds cannot be used for income payments for housing or any other purpose. Examples of ineligible income payments include: payments for income maintenance, housing allowances, down payments, and mortgage subsidies. One time payments made on behalf of persons or families to meet emergency needs such as housing or essential utilities is not an income payment and is eligible.

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 on 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.

DED will award grants under the Tourism Development to eligible local governments to carry out tourism development projects, defined as tourist attractions (for profit, public, or private) that are expected to draw 2,500 visits or more from origins of at least 100 miles away. Tourism attractions are sites and facilities that draw visitors from a distance because of
their scenic, historic, cultural, heritage, scientific, educational, and/or recreational attributes. Tourism attractions projects also serve and provide facilities that service community activities along with regional activities. The projects focus on meeting and improving multi-faceted facilities for assisting in community economic development at the local, regional, and statewide level. Tourism attractions meeting the national and state CDBG objectives may include:

1. Historic restoration, rehabilitation, and preservation such as buildings or sites either listed in the National Register of Historic Places or eligible for listing, state, or local inventory as a historic place, or designated as a state or local landmark or historic district.

2. Scientific and educational interpretive sites and facilities, such as, on-site heritage/work environments, cultural awareness centers, and scientific educational centers.

3. Heritage, historical, and cultural recreational sites and facilities, such as buildings or sites either listed in the National Register of Historic Places or eligible for listing, state, or local inventory as a historic place or designated as a state or local landmark or historic district.

4. General administration and audit costs.

5. 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.

6. The acquisition, constructions, 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.

7. 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.

8. Clearance, demolition, removal, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for rehabilitation, and rehabilitation, or privately owned properties and including the renovation of closed school buildings).

9. Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons.

10. 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.

11. Disposition (through sale, lease, donation, or otherwise) of any real property acquired with CDBG funds or its retention for public purposes.
12. Payment of the nonfederal share required in connection with a federal grant-in-aid program undertaken as part of activities assisted under this program.

13. Relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate activities.

14. Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in Section 701(e) of the Housing Act of 1954 on the date prior to the enactment of the Housing and Community Development Amendments of 1981.

15. Activities which are carried out by public or private nonprofit entities, including
   f. Acquisition of real property;
   g. Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government),
   h. Site improvements, and
   i. Utilities.

Section 4.01 Maximum Grant Amount
The maximum grant amount for TD activities will be $400,000, and the minimum grant amount for TD activities is $250,000, exclusive of supporting project and general administration costs. For the current program year anticipated allocations by category see the Annual Action Plan, available for download at http://opportunity.nebraska.gov/reports.

General Administration include includes those costs that are administrative in nature with exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc. Common line items costs are environmental review, fair housing activities, financial audit (if necessary), labor standards enforcement, preparation of required grant progress reports and drawdowns. Matching funds are not required. Up to 10% of project costs can be used for general administration, not to exceed $25,000.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Activity 0380 Construction Management. Matching funds are not required. Maximum of $10,000 in CDBG funds can be used under Activity 0380. Where the maximum is not used, by contract budget amendment these funds can be moved to other project-activities, not general administration activity costs.

Section 4.02 Matching Funds Requirements
Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Under the TD program category, activities require a 25% match.

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions. 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.
TD Program Category Match Example

All activities funded with TD resources, except costs associated with supporting project costs and general administration, require a minimum cost-share where the local match must be at least 25% of total CDBG project activity costs. Proposed match should be from CDBG eligible activities directly related to the proposed project. See the table below:

<table>
<thead>
<tr>
<th>Project Activity Costs</th>
<th>(A)</th>
<th>(B)</th>
<th>(C)</th>
<th>(D)</th>
<th>(E)</th>
<th>(F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0070 Public Facilities</td>
<td>$400,000</td>
<td>$10,000</td>
<td>$25,000</td>
<td>$435,000</td>
<td>$100,000</td>
<td>$535,000</td>
</tr>
</tbody>
</table>

*General Administrative costs cannot exceed 10% of “A” Project Activity Costs, not to exceed $25,000 overall.

Section 4.03  Program Income

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

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

Program Income – Definition:

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

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

All Program Income earned during the grant period must be expended on the project activities prior to drawing down additional CDBG funds under the grant. Program Income earned after the completion of the grant activities is subject to the same CDBG requirements.

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

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds except in instances where the proceeds are received more than 5 years after expiration of the grant agreement between the state and the unit of general local government.” [See also 24 CFR 570.489(e)(2)(v)];
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by the unit of general local government or subgrantee of the unit of general local government with CDBG funds, less the costs incidental to the generation of the income;
4. Gross income from the use or rental of real property, owned by the unit of general local government or other entity carrying out a CDBG activity that was constructed or improved with CDBG funds, less the costs incidental to the generation of the income;
5. Payments of principal and interest on loans made using CDBG funds;
6. Proceeds from the sale of loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs;
7. Proceeds from the sale of obligations secured by loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs;
8. Interest earned on funds held in a revolving loan fund's cash balance interest-bearing account;
9. Income earned on program income pending disposition of the income;
10. Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not of low and moderate income, if the special assessments are used to recover all or part of the CDBG portion of a public improvement; and
11. Gross income paid to a unit of general local government or subgrantee of the unit of general local government from the ownership interest in a for-profit entity acquired in return for the provision of CDBG assistance.

Section 5.01 Submission of Applications and Selection of Grantee

Eligible local governments may individually or jointly apply and receive one grant per year in the Tourism Development category. Projects are to be completed within twenty-four (24) months following notice of approval. Eligible local governments may apply individually and receive one grant for tourism development during a single TD category cycle.

Applications must be submitted according to the provisions stated in Section 1.01 through Section 1.03. Applications are prepared at the applicants’ expense and costs are not reimbursable. Applications for TD program category will be accepted beginning May 1, 2019 and considered on an open cycle. Applications must be submitted as a hard copy to the address listed below, and submitted electronically via Sharefile (https://negov.sharefile.com/r-raaa131918a14a6fb).

Nebraska Department of Economic Development
ATTN: CDBG TD Application
PO Box 94666
Lincoln, NE 68509

Applications will be reviewed, by DED, according to the selection criteria established in Section 5.03 of the Application Guidelines. 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 upon approval of the recommendation. A letter of non-selection will be issued to those applicants not recommended for award.

DED shall return and not consider Applications if they fail to meet any of the following threshold requirements:
   a. Activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities.
   b. Applicant has no significant, unresolved audit finding.
   c. Applicant has no legal actions under way that may significantly affect its capacity to execute project.
   d. Applicant is following a detailed Citizen Participation Plan (CPP) and Anti-Displacement Plan.
   e. Applicant has adopted an authorizing resolution for participation in the Nebraska CDBG program.
   f. Where applicable for past-awarded projects, Applicant must clear all compliance issues found during risk analysis performance and compliance monitoring and DED must accept any responses thereof.
   g. Applicant is current with all reporting requirements (i.e. semi-annual project status reports, closeout reports, audit reports, notification of annual audits, etc.).
h. On any open CDBG grants, Applicant has shown progress including expenditures through drawdowns.

i. All land for the project **MUST** be in the possession of the community or an option to purchase in place at the time of application.

**CDBG National Objective**

All DTR projects funded and CDBG-funded activities must meet a National Objective of the CDBG Program. *A project or project activity that fails to meet a national objective is ineligible for CDBG resources.* These national objectives include:

- Benefitting low- and moderate-income persons (LMI), including:
  - On an area basis (LMA),
  - Serving a limited clientele (LMC), or
  - LMI Housing (LMH); or
- Aiding in the prevention or elimination of slums or blight, including:
  - On an area basis (SBA) and
  - On a spot basis (SBS).

For more information about CDBG National Objectives, see Section 2.01 of the Application Guidelines.

**Section 5.02 Special Policies for Thresholds for Selection**

Special policies affecting thresholds for selection are:

1. The **Citizen Participation Plan** must contain provisions for the involvement of citizens, particularly LMI residents, in all phases of the project. Each local government submitting a single application or participating in a joint application, where applicable, must have and follow a citizen participation plan. The plan must provide for:
   - Proper notice and access to all meetings and project records;
   - Technical assistance on request to group’s representative of LMI persons;
   - 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:
     1. 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 and leverage funds, if any, and the applicant’s plans for minimizing displacement of persons as a result of CDBG assisted activities and for assisting persons actually displaced; and
     2. Implementation phase – the hearing(s) must review project/program performance and summarize any relevant updates or changes through the process, in supplement to any hearings held in accordance with the contract amendment request process.

   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.

   - A process for responding to complaints and grievances within 15 working days;
   - 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.
   - **One-For-One Replacement** unit requirement applies to all occupied and vacant occupiable LMI dwelling units that will be demolished or converted to another use as a direct result of a CDBG assisted activity.
Occupiable dwelling unit is a residential unit that is in standard condition or in a substandard condition, but suitable for rehabilitation.

(1) An LMI dwelling unit is defined as a unit with a market rental, including utility costs, that does not exceed the Section 8 fair market rent (FMR) as established by HUD. Whenever assisted rehabilitation raises the rent above the FMR that unit must be replaced.

(2) A “vacant occupiable dwelling unit” is a unit in standard condition or a unit in substandard, but is suitable for rehabilitation; or a dwelling unit that has been occupied (except for a squatter) at any time one year prior to the Notice of Approval date for an approved application.

(3) A unit is “standard condition” is ready to be lived-in with only a minimal amount of deferred maintenance or repair required at a reasonable cost.

(4) A unit “suitable for rehabilitation” is defined for purposes of this certification as a unit whose estimated repair, rehabilitation, weatherization, and/or general improvement costs do not exceed one-half of its replacement value after rehabilitation. The local government may use their own definition for “suitable for rehabilitation” provided such definition is made public and DED determines the definition to be acceptable.

(5) Replacement LMI units must be provided within three years from the start of demolition or conversion and must be:

i. Located within the same jurisdiction;

ii. Sufficient in number and size to house at least the number of occupants that were or could have been housed; according to local occupancy codes;

iii. Provided in standard condition or brought up to a standard condition; and

iv. Designed to remain LMI for ten (10) years.

v. Replacement units may include public housing and housing with Section 8 project-based assistance.

(6) Assistance cannot be obligated to the demolition or conversion activity until the local government makes public and submits to DED information that identifies:

i. The activity – the location and number of units by bedroom size;

ii. The proposed demolition or conversion schedule;

iii. The number and placement of replacement units and their size;

iv. The source of funding and time schedule for replacement units; and

v. The basis for concluding that each replacement unit will remain a LMI unit for 10 years.

b. Relocation Assistance must be provided to each LMI family displaced by the demolition or conversion to another use of any housing unit because of an assisted activity. Persons must be provided assistance as prescribed in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) or 24 CFR 570.496a(c).

3. The procurement process for consultant selection must be outlined in accordance with Section 5.05 (3) Competitive Proposals. A grantee must use procurement procedures that are in conformance with State and local laws and regulations, Federal law and the standards identified for grantees within 2 CFR200.300–345.

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

Overall, recipients of CDBG funds are responsible for ensuring competitive procurement for goods and services, in accordance with established rules and regulations using full and open competition. Complete documentation of this process is required.
In specific instances, Exhibit K may be required at the time of application along with related supplemental documentation. **NOTE:** 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 K1a/b 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. This includes contracts related to project costs or supporting project costs (construction management and housing management).

### Section 5.03  TD Priority Point System for Selection

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

**Project Description Instructions**

Applicants are required to submit a **project description identifying the nature and scope of the project**, including match activities. Limit your project description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project.

This description should include how the project proposes to address one primary objective and outcome as described in Section 2.03 of the Application Guidelines.

The review team utilizes your project description to determine eligibility of project activities and provides overall context to the selection criteria. This description is of vital importance to review and score an application based on the criteria and thresholds set forth in this program category. Applicants are encouraged to use this description as the basic framework for the forthcoming environmental review record (ERR) project description. Additional details about the benefits of the proposed project are articulated under the subsequent project narrative and any supplemental attachments provided by the applicant to substantiate project need, impact, readiness, and community support. **IMPORTANT NOTE:** attachments should supplement and **not** be considered as a replacement for narrative.
The Matrix below describes each selection criteria as a numerical score within the TD Program. The maximum number of points available within any application is 1,000 points. A minimum score of 300 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.

Table 5.03A. TD Selection Criteria

<table>
<thead>
<tr>
<th>Table 5.03A. TD Selection Criteria</th>
<th>Maximum</th>
<th>Threshold Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Project Need</td>
<td>200</td>
<td>75</td>
</tr>
<tr>
<td>2. Project Impact</td>
<td>200</td>
<td>75</td>
</tr>
<tr>
<td>3. Project Readiness</td>
<td>250</td>
<td>100</td>
</tr>
<tr>
<td>4. Community Support</td>
<td>150</td>
<td>50</td>
</tr>
<tr>
<td>5. Match</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td>6. LMI Benefit</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>7. Municipal Equalization Fund (MEF) Score</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,000 points</strong></td>
<td><strong>300 points</strong></td>
</tr>
</tbody>
</table>

### 1. Project Need

Up to 200 points possible. If the minimum of 75 points is not met, the application will not be reviewed further. The level of project need will be compared to other applicants.

Points in this section include:

- **0 - 74:** No clearly defined problem or no clear description of the need for the project.
- **75 - 149:** Minor problems or minor needs are only defined.
- **150 - 200:** Major problems or description of project need is clearly defined.

The application narrative shall be scored for:

a. Explanations of the overall purpose of the project application and factual information that illustrates the tourism development needs
b. Past efforts to resolve the needs for tourism development
c. Stated goals and objectives for addressing the needs with a description of how the community will be included in the citizen participation process in order to determine the objectives.

### 2. Project Impact

200 points maximum possible. If minimum of 75 points is not met, the application will not be reviewed further. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- **0 - 74:** Inadequately defined project impact.
- **75 - 149:** Reasonably defined project impact that is average compared to other applicants.
- **150 - 200:** Above average description of project impact.

Within this section, the applicant should explain what the expected outcome of the project will be and the positive impact on local and regional economies.
3. Project Readiness
Up to 250 points possible. If minimum of 100 points are not met, the application will not be reviewed further. The level of capacity and commitment by the community will be scored as compared to other applicants.

Points in this section will include:

0 - 99: Lack of local staff or ability to oversee the efforts from planning to the implementation of the physical project, no availability of the site(s) investigated, preliminary work is not substantially completed, and project is not construction ready.

100 - 174: Local capacity is demonstrated through past projects, past community improvement efforts, citizen participation, there is strong evidence of a commitment to proceed with project, the feasibility and cost estimates are reliable, the project is construction ready, and financial resources have been investigated.

175 - 250: Significant local capacity demonstrated through past improvement efforts, financial resources are secured and pending CDBG award approval, match/non-CDBG funding is committed and documented, and environmental review has been completed.

4. Community Support
Up to 150 points possible. If the minimum of 50 points is not met, the application will not be reviewed further. Applicant’s description of public participation and the process used to identify community needs and allocate resources to address needs will be compared to other applicants.

The following criteria will be taken into consideration when determining the community score for the Citizen Participation section.

- Completed a comprehensive needs assessment
- The needs assessment process includes documented citizen participation
- Developed, distributed, and analyzed a community needs survey
- Held public meetings to discuss the outcomes on the community needs analysis
- Documentation showing the community needs assessment took place within the past 3 years
- Developed a priority list using the community needs assessment process
- Developed a strategy to address items in order of the communities priority list
- A record of conducting other community and economic development efforts with significant citizen involvement within the last three years that address items ranked on the communities priority list
- The community has adopted or updated a comprehensive plan, housing study, and/or a capital improvement plan within the last five years
- The community can show evidence of economic initiatives such as: LB840, completing a business retention and expansion survey, or other viable fundraising efforts

Points in this section include:

0 - 49: Has not completed a majority of the above criteria.
50 - 99: Has completed a majority of the above criteria
100 - 150: Has completed and properly documented most or all of the above criteria.
5. Matching Funds
Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Applicants that commit local funds (including “other” funds and/or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points. The table below further describes these criteria.

<table>
<thead>
<tr>
<th>Matching Funds Provided</th>
<th>Points Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% or greater</td>
<td>50</td>
</tr>
<tr>
<td>40 - 49.99%</td>
<td>25</td>
</tr>
<tr>
<td>30 - 39.99%</td>
<td>10</td>
</tr>
<tr>
<td>25 - 29.99%</td>
<td>0</td>
</tr>
</tbody>
</table>

6. LMI Benefit
Up to 50 points possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to give points to communities with higher concentrations of LMI persons. Communities with a LMI population of 55% or more will receive 50 points. Communities with a LMI population between 51% - 54.99% will receive no points in this section. Narrative is not required under this section, the submitted documentation within Exhibit E will be reviewed by the Department.

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

Section 5.04 Use of Consultants
CDBG funds cannot be used to fund application preparation and Release of Funds must be received before engineering/architectural services or other project activities are eligible for reimbursement.

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

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

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

The procurement process for consultant selection must outlined in detail in accordance with Section 5.04 (3) Competitive Proposals. In specific instances, Exhibit K Procurement Process may be required at the time of application along with related supplemental documentation. Applicants shall complete Exhibit K1a/b if this process as described in Section 5.04 (3) will not be used. The applicant must state why and identify the process that will be used for selecting a consultant. This also includes the process used or electing the application preparer if that firm or individual is a part of or included in the process intended for selection of the consultant that implements the project. Exhibit K2 shall be completed if the procurement process is completed prior to submission of application. Procurement process must follow state and federal
requirements with the exception of the Applicant/Grantee acting in their own capacity. Additional information is available within Section 5.02.

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

1) **“Loss-Leader” Arrangements**

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

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

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

   a) When local officials decide to procure the services of an engineer to assist them with both preparation of preliminary engineering plans (that is not grant application preparation) and project engineering, in the event their community is selected for grant award;

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

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

On occasion local officials decide to procure the services of an engineer to assist them with both preparation of preliminary engineering plans and project engineering, in the event their community is selected for grant award. Likewise, some communities want to conduct one procurement process to cover both grant preparation and grant administration. This approach is permitted under federal procurement regulations. Obviously, in both cases, the selection process would occur prior to grant application. Any agreement between the community and the engineer or consultant that includes preliminary and project engineering or grant writing and administration services would have to be contingent upon award of CDBG funds. Any such contract also would have to have the prior approval of the Department of Economic Development to assure that federal procurement procedures complied with, and that all required federal clauses are included in the contract. Local officials would have to follow the procedures briefly outlined below under Competitive Proposals.

3) **Competitive Proposals**

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

Competitive proposals are advertised and requested from several qualified sources.

HUD regulations for competitive proposals require the following:

   (1)Requests for proposals (RFP’s) or qualifications (RFQ’s) must be publicized and identify all evaluation factors and their relative importance.
For example: RFP evaluation criteria may include technical expertise of the firm and its personnel (25 points); past record of performance on projects of similar nature, including quality of work and cost control (25 points); familiarity with CDBG program (20 points); capacity of firm to perform the work within time schedule (20 points); and the nature and extent of services proposed versus estimated fees (10 points); etc.

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

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

(3) Grantees and sub-grantees must have a method for conducting technical evaluations of the proposals received according to the criteria specified in the RFP and for selecting awardees;

(4) Awards must be made to the responsible firm whose proposal is most advantageous to the program, with price and other specified factors considered; and

(5) Grantees may use competitive proposal procedures for qualification-based procurement of architectural/engineering (A/E) professional services, whereby competitor’s qualifications are evaluated and the most qualified competitor is selected subject to negotiation of fair and reasonable compensation.

The method where price is not used as a selection factor can only be used in procurement of Architectural or Engineering services (NOTE: this does not include professional planning 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. Be sure to score all proposals received in accordance with the terms described and published with the RFP or RFQ, depending on the method used.

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

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

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

In addition, check to see if the work done for these clients is similar to what you want the consultant to do. The ability to write a grant application does not mean the same consultant has the capability to assist you with managing a grant.
Sometimes the firm you are interested in will be a new firm with few if any client references. New, small firms can be just as good as well established, large firms, so instead of asking for client references, you could ask for past employer references.

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

5) **Involve Local Staff**

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

**Section 5.05 Requirements for Submitting Applications**

To apply for funds under these guidelines, an eligible applicant must complete the APPLICATION FOR TOURISM DEVELOPMENT CATEGORY form. This form consists of five parts: **Part I – General Information, Part II – Funding Summary, Part III – Project Budget, Part IV – Project Descriptions and Impact, Part V – Required Attachments and Exhibits, Part VI Additional Attachments (where applicable)**. All parts and exhibits 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 to **Part I – General Information and Part II – Funding Summary, Part III – Budget, and Exhibits**. When all deficiencies have been corrected, DED will resume the review process.

**Section 5.06 Post Award Requirements**

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

**Records**

Retain all information on grant-assisted activities for ten (10) years following completion and closeout of the grant. During the grant period, performance reports are required semi-annually. Projects deficient for reporting are subject to further action as described in the CDBG Administration Manual or other such publication or notification by the Department.

**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.

**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.

**Acquisition/Relocation**

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

Regulations emphasize anti-displacement. However, if displacement is necessary, relocation assistance must be provided to persons displaced by rehabilitation, acquisition, demolition, or the conversion of units for use other than low-
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.

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

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

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

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

**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.

**International Energy Conservation Code**
Most new construction or substantial rehabilitation of buildings must meet the 2009 International Energy Conservation Code or the most recent version of the International Conservation Code in effect, as specifications (at no cost) that meet said standards. This applies to lighting, heating, cooling, ventilating, or water heating equipment or controls, as well as building envelopes. The certification form, which will be provided by the NEO, will attest that the building design complies and provide summary information about the design.

When the Energy Office has determined that a subject building complies, or has received documentation of alternate compliance, it will provide a Verification of Construction form on which it must be certified that the building is constructed substantially according to the plans. At key points during construction, the building should be inspected to verify that insulation and other envelope components, and all specified lighting, heating, cooling, ventilating, and water heating equipment and controls are installed as indicated on the plans. The Verification of Construction form must be signed and returned to the Energy Office within twenty (20) days following substantial completion. Contact NEO at (402) 471-2867 for a copy of the code.
As an alternate compliance method when a licensed architect and/or engineer have designed a subject building, a Designer Certification may be submitted to NEO instead of building plans and specifications. The certification form, which will be provided by the NEO, will attest that the building design complies and provide summary information about the design.

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

### Section 6.01 Glossary of Terms

**Annual Action Plan (AAP)**
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.
Elderly
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.

Eligible Activity
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 3.04, 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.

Project Cost
Costs to complete the project and not associated with general administration of the grant (i.e. 0181 General Administration) or supporting project costs (i.e. 0380 Construction Management, 0580 Housing Management – Rehabilitation Management, and 0580a Housing Management – Lead-based Paint testing, risk assessment, and clearance testing).

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

Service Area
Area within the community designated to benefit from the project.

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).

Supporting Project Costs
Costs that support project costs (i.e. 0380 Construction Management, 0580 Housing Management – Rehabilitation Management, and 0580a Housing Management – Lead-based Paint testing, risk assessment, and clearance testing). For reporting purposes, beneficiaries are not reported separately rather they are associated with the most appropriate activity. Supporting project costs do not include grant administration (i.e. 0181 General Administration).

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.