

# Proposed For Public Review

COMMUNITY DEVELOPMENT BLOCK GRANT

# Application Guidelines

2020

**NEBRASKA**

Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

HOUSING AND COMMUNITY DEVELOPMENT | PUBLIC REVIEW

## Contents

CDBG Program Representatives .....	4
Overview .....	5
Supplemental CDBG Funding .....	6
Funding Opportunity: Downtown Revitalization (DTR) .....	6
Funding Opportunity: Economic Development (ED).....	7
Funding Opportunity: Emergent Threat (EM).....	8
Funding Opportunity: Owner Occupied Rehabilitation (OOR) .....	8
Funding Opportunity: Planning (PP) .....	8
Funding Opportunity: Public Works (PW).....	9
Funding Opportunity: Tourism Development (TD) .....	9
Funding Opportunity: Water/Wastewater (WW).....	9
Funding Opportunity: Youth Job Training (JT) .....	10
Application Guidelines .....	10
Section 1.01   Eligible Applicants.....	10
Section 1.01a  Funding Opportunity: Downtown Revitalization.....	10
Section 1.01b  Funding Opportunity: Owner Occupied Rehabilitation .....	10
Section 1.02   Type of Applicants .....	11
Section 1.02a  Funding Opportunity: Downtown Revitalization.....	11
Section 1.02b  Funding Opportunity: Owner Occupied Rehabilitation .....	11
Section 1.03   Special Policies for Applicants .....	12
Section 1.03a  Funding Opportunity: Economic Development.....	14
Section 1.03b  Funding Opportunity: Public Works.....	15
Section 1.03c  Funding Opportunity: Tourism Development .....	15
Section 1.03d  Funding Opportunity: Youth Job Training .....	15
Section 2.01   Compliance with the CDBG National Objective .....	16
Section 2.01a  Funding Opportunity: Downtown Revitalization.....	23
Section 2.01b  Funding Opportunity: Economic Development .....	23
Section 2.01c  Funding Opportunity: Emergent Threat .....	23
Section 2.01d  Funding Opportunity: Owner-Occupied Rehabilitation .....	23
Section 2.01e  Funding Opportunity: Planning .....	24
Section 2.01f  Funding Opportunity: Public Works.....	24
Section 2.01g  Funding Opportunity: Tourism Development .....	24
Section 2.01h  Funding Opportunity: Water/Wastewater.....	24
Section 2.01i  Funding Opportunity: Youth Job Training .....	25
Section 2.02   Compliance with the State’s Consolidated Plan.....	25
Section 3.01   Eligible Activities.....	25
Section 3.02   Priority Activities .....	25
Section 3.02a  Funding Opportunity: Downtown Revitalization.....	29
Section 3.02b  Funding Opportunity: Economic Development .....	29
Section 3.02c  Funding Opportunity: Emergent Threat .....	29
Section 3.02d  Funding Opportunity: Owner Occupied Rehabilitation .....	30
Section 3.02e  Funding Opportunity: Planning .....	30
Section 3.02f  Funding Opportunity: Public Works.....	31
Section 3.02g  Funding Opportunity: Tourism Development .....	31
Section 3.02h Funding Opportunity: Water/Wastewater .....	32
Section 3.02i  Funding Opportunity: Youth Job Training .....	32

Section 3.03   Ineligible Activities.....	32
Section 3.03a   Funding Opportunity: Planning .....	34
Section 3.04   Special Policies for Activities .....	34
Section 4.01   Grant Amounts & Matching Funds.....	35
Section 4.01a   Funding Opportunity: Downtown Revitalization.....	36
Section 4.01b   Funding Opportunity: Economic Development .....	36
Section 4.01c   Funding Opportunity: Emergent Threat .....	37
Section 4.01d   Funding Opportunity: Owner-Occupied Rehabilitation .....	37
Section 4.01e   Funding Opportunity: Planning .....	37
Section 4.01f   Funding Opportunity: Public Works.....	38
Section 4.01g   Funding Opportunity: Tourism Development .....	38
Section 4.01h   Funding Opportunity: Water/Wastewater.....	38
Section 4.02i   Funding Opportunity: Youth Job Training .....	38
Section 4.02   [Reserved] .....	39
Section 4.03   Program Income .....	39
Section 4.04   Public Benefit Standards .....	39
Section 5.01   Application Submission .....	39
Section 5.02   Application Due Dates .....	39
Section 5.02a   Funding Opportunity: Economic Development.....	40
Section 5.02a   Funding Opportunity: Emergent Threat .....	40
Section 5.02b   Funding Opportunity: Public Works .....	40
Section 5.02a   Funding Opportunity: Tourism Development .....	41
Section 5.02c   Funding Opportunity: Water/Wastewater .....	41
Section 5.03   Application Thresholds.....	41
Section 5.03a   Funding Opportunity: Economic Development.....	43
Section 5.04   Application Criteria.....	43
Section 5.04a   Funding Opportunity: Downtown Revitalization.....	43
Section 5.04b   Funding Opportunity: Economic Development .....	51
Section 5.04c   Funding Opportunity: Emergent Threat .....	57
Section 5.04d   Funding Opportunity: Owner Occupied Rehabilitation .....	63
Section 5.04e   Funding Opportunity: Planning .....	66
Section 5.04f   Funding Opportunity: Public Works.....	69
Section 5.04g   Funding Opportunity: Tourism Development .....	73
Section 5.04h   Funding Opportunity: Water/Wastewater.....	75
Section 5.04i   Funding Opportunity: Youth Job Training .....	78
Section 5.05   Application Development and Use of Consultants .....	79
Section 5.06   Application Review and Selection .....	79
Section 5.06a   Funding Opportunity: Economic Development.....	79
Section 5.07   Post Award Requirements.....	80
Section 6.01   Glossary of Terms .....	82
Section 7.00   Additional Guidance and Materials.....	87
Section 7.00a   Notice of Public Hearing – Required Language .....	87
Section 7.00b   Authorizing Resolution – Sample Format .....	88
Section 7.00c   Application Portal – User Guides and Other Resources .....	88

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*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 <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 máquina en español y las conversaciones serán retransmitidas en español y inglés.*

## Overview

The Nebraska Community Development Block Grant (CDBG) program has the primary objective to strengthen and grow Nebraska communities through community betterment programs and services in order to provide a stable platform for community and economic development. The Housing and Community Development (HCD) Division of the Nebraska Department of Economic Development (DED) administers the CDBG program.

The Department's role in CDBG project activities is to provide funding to communities for community development, housing, and economic development projects in order to leverage and utilize additional federal, state, and private resources within a community, providing decent housing, a suitable living environment, and expanding economic opportunities.

The following funding opportunities are made available through the CDBG Program for Program Year 2020 (July 1, 2020 – June 30, 2021). Below is a synopsis:

Category	National Obj.	Minimum		Maximum			
		Match	*CDBG Project Activity	*CDBG Requested Project Activity	General Admin. **	Const. Mgmt.	Housing Mgmt.
Downtown Revitalization	LMI, S/B	25%	\$250,000	\$400,000	10% or \$35,000	\$10,000	N/A
Economic Development	LMI	100%	\$125,000	\$1,000,000	\$10,000	\$10,000	N/A
Emergent Threat	Public Services	LMI	Not Required	\$10,000	\$450,000	N/A	N/A
	Public Facilities & Infrastructure	LMI/SB/UN	Not Required	\$250,000 CDBG-CV: \$50,000	\$450,000	10% or \$25,000	\$10,000
Owner Occupied Rehabilitation	LMI	Not Required	\$250,000	\$750,000	\$20,000	N/A	12% or \$50,000
Planning	LMI, S/B	25%	\$20,000	Single, \$50,000; Joint, \$70,000	10% or \$3,000	N/A	N/A
Public Works	LMI	25%	\$250,000	\$400,000	10% or \$25,000	\$10,000	N/A
Tourism Development	LMI, S/B	25%	\$250,000	\$400,000	10% or \$25,000	\$10,000	N/A
Water/Wastewater	LMI	25%	\$250,000	\$400,000	10% or \$25,000	\$10,000	N/A
Youth Job Training	LMI	Not Required	none	\$100,000	\$5,000	N/A	N/A

\*CDBG Project Activity does not include Housing Management, Construction Management, and/or General Administration.

\*\* The lesser amount

Category	Application Due Dates	
Downtown Revitalization	1 <sup>st</sup> Cycle – September 15	2 <sup>nd</sup> Cycle – TBD
Economic Development	Open Cycle, Begins July 1	
Emergent Threat	Open Cycle, Begins July 1	
Owner Occupied Rehabilitation	Pre-Applications – July 30	Full Applications – September 30
Planning	1 <sup>st</sup> Cycle – August 30	2 <sup>nd</sup> Cycle – TBD
Public Works	1 <sup>st</sup> Cycle – August 15	2 <sup>nd</sup> Cycle – TBD
Tourism Development	Open Cycle, Begins July 1	
Water/Wastewater	Open Cycle, Begins July 1	
Youth Job Training	Open Cycle, Begins July 1	

### Supplemental CDBG Funding

From time to time, official action by the federal government has made available supplemental allocations through the mechanism of the CDBG program to address a targeted need.

#### CARES Act and CDBG-CV

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Public Law 116-136) created supplemental CDBG funding in 2020. The CARES Act identified the CDBG coronavirus response (CDBG-CV) funds to be made available through the CDBG program. In such cases as the CDBG-CV funds, DED may fund applications meeting the conditions under the supplemental funding or CDBG, depending on the activity(ies) proposed therein. In the case of CDBG-CV, the funds will be used to prevent, prepare for, and respond to coronavirus.

Due to the flexible nature of the funding opportunities, applications submitted through Emergent Threat (EM) or Economic Development (ED) may be funded using CDBG-CV funds. Projects funded through CDBG-CV are subject to the duplication of benefits (DOB) test. CDBG-CV funds may be subject to additional HUD requirements. See Section 3.04 for more information about DOB.

Applicants should not incur any costs, perform any work, purchase any goods or services, nor make any commitments or sign any contracts with any person, organization, or company related to the project for which CDBG-CV funds are being requested until the funds have been released from HUD, the Environmental Review has been completed, and an agreement has been executed by DED.

The CDBG-CV funds may pay for expenses related to the coronavirus incurred no earlier than January 21, 2020 (<https://www.federalregister.gov/d/2020-18242/p-110>).

### Funding Opportunity: Downtown Revitalization (DTR)

CDBG funds can be utilized for downtown revitalization projects. The purpose of the Downtown Revitalization (DTR) Category is to leverage investments that will contribute to the revitalization or redevelopment of downtown infrastructure and develop a greater capacity for growth, addressing health and safety concerns and commercial revitalization within the traditional business centers of our Nebraska communities. This provides a sound basis for fostering local economic development through public and private sector partnerships. This recognizes the importance of the condition and viability of a downtown to increase the community's tax base and cultivates a tangible center for community activity. These

projects directly relate to business retention, expansion, and location decisions, but also address public gathering space, recognizing that downtowns reflect the economic core and persona of our communities.

Activities assist communities in their implementation of comprehensive downtown revitalization plan in order to stabilize and enhance clearly defined downtown areas, providing benefit to low- and moderate-income residents of the community or aid in the elimination of substandard or blighted structures and areas in the downtown.

DTR resources are for implementation of the project (i.e., physical improvements to the built environment); such funds become available to the applicant upon successful completion of the requirements of a downtown revitalization predevelopment/planning study. Because responsible, intelligent implementation arises from well-informed planning processes, applicant must make available their DTR study prior to, or along with the application for DTR resources. Use of CDBG resources for planning activities is not required to access DTR resources.

The principle objective for the CDBG program is benefit to low- and moderate-income communities; therefore, priority is given to projects meeting the primary national objective of benefiting low- and moderate-income persons. Activities proposed in applications for CDBG funding in the DTR Category must meet the national objective of benefitting low- and moderate-income persons (through the subcategories LMI Area Benefit and/or, LMI Limited Clientele) or aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS). (Urgent Need is not allowable under the DTR Category.)

#### Funding Opportunity: Economic Development (ED)

CDBG funds can be utilized for economic development projects. The objective of the Economic Development (ED) category is to assist businesses which expand the state's economic base and which create quality jobs principally benefiting employees in the low- and moderate-income levels.

CDBG funds will be utilized within the Economic Development Priority Need by a local unit of government for providing communities and counties with resources to assist businesses which expand the state's economic base and which create quality jobs principally benefiting LMI employees and made available under the LMI CDBG National Objective criteria.

In addition, the CDBG State Revolving Loan Fund (RLF) objective 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 responsible for ensuring that program income at the State and local levels is used in accordance with applicable federal laws and regulations. Program income for the state's program under the ED category is regulated by the provisions of 24 C.F.R. §570.489(e).

In some limited circumstances, CDBG-CV funding can be used to assist local units of government with situations related to addressing the covid-19 pandemic. Local governments are required to use all CDBG-CV funds for CDBG-eligible activities that are carried out to prevent, prepare for, and respond to coronavirus.

During the 2020 Program Year, all activities proposed in applications for CDBG funding in the ED Category must meet the national objective of benefitting low- and moderate-income persons (through the subcategory LMI Area Benefit, LMI Limited Clientele, LMI Jobs).

### Funding Opportunity: Emergent Threat (EM)

CDBG funds can be utilized for emergent threat projects focused on benefiting public services and public facilities and infrastructure in the State. CDBG-CV, other supplemental CDBG funding, and/or CDBG State Revolving Loan Fund (RLF) can be used to assist local units of government with situations that pose a serious and immediate threat to public health, safety, or welfare. Priority is given to those projects that are meeting the Emergent Threat (EM) criteria.

All activities proposed in applications for CDBG funding in the EM Category must meet the national objective of benefitting low- and moderate- income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele), aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS), and/or through urgent need (UN).

Projects funded with CDBG-CV are subject to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (the “Stafford Act”).

### Funding Opportunity: Owner Occupied Rehabilitation (OOR)

CDBG funds will be utilized for owner occupied rehabilitation projects. The purpose of the OOR funding opportunity is to promote housing preservation by improving the quality of Nebraska’s existing affordable housing and activities are made available to persons at or below 80% of the Area Median Income. Priority will be given to projects that demonstrate benefit to a disaster-impacted area.

During the 2020 Program Year, all activities proposed in applications for CDBG funding in the OOR funding opportunity must meet the national objective of benefitting low- and moderate-income persons (through the subcategories LMI Housing).

### Funding Opportunity: Planning (PP)

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

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

During the 2020 Program Year, all activities proposed in applications for CDBG funding in the PP funding opportunity must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele or aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS).

No Preliminary Engineering Reports (PERs) that are prepared in anticipation of Water/Wastewater Advisory Committee (WWAC) funding will be funded through the PP Category. PERs that are proposed without the intention of going through the WWAC process may be funded.



#### Funding Opportunity: Public Works (PW)

CDBG funds will be used for public facility and infrastructure projects. The purpose of the Public Works (PW) Category is to provide for a broad range of investments to communities investing in effective and affordable infrastructure and/or facilities that address strategic long-term developments. This category recognizes the importance of the availability and condition of infrastructure and community facilities. Funded projects shall develop the state's communities and counties by providing residents with basic infrastructure and/or facilities with the opportunity to maximize energy efficiency and provide a suitable living environment.

During the 2020 Program Year, all activities proposed in applications for CDBG funding in the PW Category must meet the national objective of benefitting low- and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele).

#### Funding Opportunity: Tourism Development (TD)

CDBG funds will be used for economic development tourism focused projects. 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.

During the 2020 Program Year, all activities proposed in applications for CDBG funding in the TD Category must meet the national objective of benefitting low- and moderate-income persons (through the subcategories LMI Jobs, LMI Limited Clientele) or aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS).

#### Funding Opportunity: Water/Wastewater (WW)

CDBG funds will be used for Water/Wastewater projects. Water/Wastewater (WW) category activities that are eligible for funding are those designed to address and resolve a specific problem/need that will contribute to the revitalization of a community or specific target areas that are contiguous and substantial, where there is a concentration of lower income families. Activities given priority are publicly owned water system improvements including, source treatment, storage and/or distribution improvements; publicly owned sanitary sewer collection; and/or treatment system improvements. When in support of any of the above activities, clearance activities may be undertaken.

During the 2020 Program Year, all activities proposed in applications for CDBG funding in the WW Category must meet the national objective of benefitting low- and moderate-income persons (through the subcategories LMI Area Benefit or LMI Housing).

## Funding Opportunity: Youth Job Training (JT)

CDBG funds will be utilized towards job training for youth. The Youth Job Training (JT) category activities that are eligible for funding are those designed to address a specific special need population. Activities given priority are employment services for youth.

In collaboration with the Nebraska Department of Labor and the Nebraska Jobs of America's Graduates (JAG) Program, the Department makes funding available to further expand the available employment opportunities for youth. The Nebraska JAG program is designed for "at risk" youth from households to help young people stay in school through graduation, pursue postsecondary education, and secure quality entry-level jobs leading to career opportunities. The Nebraska JAG program partners with local school districts, and through that partnership, an educator is hired to implement the Nebraska JAG program to eligible student. Eligible young people for the Nebraska JAG program must have barriers, as defined by the JAG program that make them more at risk in graduating from high school, pursuing postsecondary education and a successful addition the labor force.

During the 2020 Program Year, all activities proposed in applications for CDBG funding in the JT Category must meet the national objective of benefitting low- and moderate-income persons (through the subcategories LMI Limited Clientele). Student families must be income qualified, and each grantee must be able to demonstrate that 51% of the students participating in the Nebraska JAG program are at or below 80% of the Average Medium Income for the county the student and their family reside.

## Application Guidelines

The primary objective of Nebraska's nonentitlement Community Development Block Grant (CDBG) Program is to develop viable communities and counties by providing decent housing, suitable living environments, and expanding economic opportunities principally for low-and moderate-income (LMI) persons. As the designated state-administering agency, the Nebraska Department of Economic Development (DED) accomplishes this objective by funding activities authorized under the federal Housing and Community Development Act of 1974, as amended, and designed to meet the goals identified in the State of Nebraska's Consolidated Plan.

### Section 1.01 | Eligible Applicants

Except as provided in the below subsections and *Section 1.03*, eligible applicants include every Nebraska county or incorporated municipality with a population of less than 50,000 and are not classified as a CDBG Entitlement Community (Omaha, Lincoln, Bellevue, and Grand Island).

#### Section 1.01a | Funding Opportunity: Downtown Revitalization

Only incorporated municipalities are eligible to apply.

#### Section 1.01b | Funding Opportunity: Owner Occupied Rehabilitation

Only incorporated municipalities are eligible to apply.

## Section 1.02 | Type of Applicants

- 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 1.02a | Funding Opportunity: Downtown Revitalization

Only individual type of applicants are eligible to apply.

### Section 1.02b | Funding Opportunity: Owner Occupied Rehabilitation

Only individual type of applicants are eligible to apply.

## Section 1.03 | Special Policies for Applicants

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

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

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

- 2) A county may not submit an application for projects undertaken within the corporate limits or zoning jurisdiction of a municipality unless the projects involve 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 (Inter-local Cooperation Act) that
  - a) Stipulates that the parties will cooperate in undertaking the project;
  - b) Delineates responsibilities and authorities of each party with respect to grant administration; and
  - c) Authorizes one of the parties to act as primary agent for administrative and monitoring purposes. The applicant local government in a multi-jurisdictional application must also be a direct participant in the project. The applicant local government cannot serve only as a pass-through for CDBG funds or only as the general administrator of the project.

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

One possible approach it is to consider that CDBG-funded activities within one applicant community may serve beneficiaries outside the applicant's jurisdiction provided the applicant is meeting its community development, economic development, and housing needs. Where beneficiaries are not residents of the applicant's jurisdiction, the application narrative would need to explain how the jurisdiction's needs are being met by the proposed activity (note: 24 C.F.R. §570.486(b)). For example,

if the applicant (“Anytown”) is proposing to extend water and sewer service outside its corporate limits, the applicant must own the water or sewer service for which it plans to extend.

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

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

- 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. An agreement that stipulates the decision-making authority, administration, contract compliance, reporting, etc. shall be executed and submitted as an upload to the application. In all instances, the grantee has the final responsibility for implementation of the project and must retain environmental and financial responsibility. In some instances, a draft agreement is acceptable at the time of application; however, the executed agreement is required before release of funds.

**NOTE: Include within the application the following documentation:**

- **Proof of Secretary of State Registration**
- **System for Awards Management (SAM), <https://www.sam.gov/SAM/>**
- **Agreement**

- 5) Eligible applicants may provide CDBG funds to a sub-grantee Neighborhood-based Nonprofit Organization or Nonprofit Development Organization (NDO).

**NOTE: Include within the application the following documentation:**

- **Proof of Secretary of State Registration**
- **System for Awards Management (SAM), <https://www.sam.gov/SAM/>**
- **Memorandum of Understanding**

## Section 1.03a | Funding Opportunity: Economic Development

As allowed within Section 1.03 (4) and (5), this funding opportunity allows the eligible applicant, as identified in Section 1.01, to partner with eligible businesses and Nonprofit Development Organization (NDO) to receive funding.

### Section 1.03 (4) Clarification

For a business to be an eligible entity, it must either: **1)** be eligible for the **Nebraska Advantage Act** (unless updated by the Nebraska legislature) as described below **or 2)** be a for-profit business that provides **essential goods or services** to local governments' residents of which at least 51% of the benefitting residents qualify as low- and moderate-income (LMI).

#### 1) **Eligible Businesses**

- a) **Nebraska Advantage Qualified Businesses:** Meet the definitional criteria to be a "qualified business" as defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made. The following listing summarizes the categories of businesses considered to be a "qualified business" under the Nebraska Advantage Act. The statutory text and regulatory interpretations by the Department of Revenue will prevail in the event of an interpretive conflict with these guidelines. "Qualified businesses" are those engaged in any one (or combination) of the following:
  - i) Research and development
  - ii) Manufacturing
  - iii) Data processing
  - iv) Telecommunications
  - v) Insurance
  - vi) Financial Services
  - vii) Distribution
  - viii) Storage/Warehousing
  - ix) Transportation
  - x) Headquarters (administrative)
  - xi) Data Centers
  - xii) Scientific Testing
  - xiii) Targeted export services (75% of sales outside Nebraska or to the U.S. Government: software development; computer systems design; product testing services, guidance or surveillance systems; technology licensing)
  
- b) **Essential Goods or Services Business:** For profit businesses that provide essential goods or services needed by, affordable to, and benefitting low- and moderate-income residents.

It is the responsibility of the applicant to demonstrate how the proposed project fulfills the "essential goods or services" standard, as well as how the proposed project meets LMA and the public benefits standard. HUD provides guidance in this area. In general, this is unlikely to include retail and/or businesses that provide specialty goods and/or services (e.g., gift shops, insurance agencies, hair salons, barbershops, spas, recreation or sporting goods, entertainment, etc.).

#### 2) **Ineligible Businesses**

- a) Non-profit businesses/organizations are ineligible.

- b) Businesses that derive any revenues from gaming are ineligible.
- c) Production agriculture enterprises are ineligible. These are excluded because they lack the necessary requirement that there must exist extra levels of substantial and separately identifiable value-added processing being performed by employees of the production agriculture enterprise—beyond those tasks and activities of production, harvesting, and marketing normally associated with traditional agricultural production commodities. Examples of such ineligible enterprises (when they lack the extra value-added component) include: grain farming, livestock raising, raising of poultry or the production of eggs, the production of milk, fruit or nut orchards, vegetable farming including hydroponics vegetable production, and aquaculture facilities.
- d) Trucking enterprises, which lack the requisite storage, warehousing, or distribution extra components which would distinguish them from the usual so-called "rolling stock" enterprises, are ineligible.

### Section 1.03 (5) Clarification

Nonprofit Development Organizations are generally involved when the CDBG funds are used to make a loan. If CDBG funds are used for infrastructure development activity to assist a business (defined in *Section 3.02*), NDOs are generally not involved.

For more information regarding NDOs refer to Chapter 8 of the CDBG Administration Manual.

#### Section 1.03b | Funding Opportunity: Public Works

As allowed within Section 1.03 (4) and (5), this funding opportunity allows the eligible applicant, as identified in Section 1.01, to partner with non-profit organizations to receive funding.

#### Section 1.03c | Funding Opportunity: Tourism Development

As allowed within Section 1.03 (4) and (5), this funding opportunity allows the eligible applicant, as identified in Section 1.01, to partner with non-profit organizations to receive funding.

#### Section 1.03d | Funding Opportunity: Youth Job Training

As allowed within Section 1.03 (4) and (5), this funding opportunity allows the eligible applicant, as identified in Section 1.01, to partner with local school districts and with non-profit organization to receive funding.

## Section 2.01 Compliance with the CDBG National Objective

The primary national CDBG objective is the development of viable communities by providing decent housing, suitable living environments, and expanded economic opportunities, principally for low- and moderate-income persons. Under these guidelines, this is accomplished by funding projects that meet at least one national objective. Further guidance about CDBG National Objectives available in the CDBG Administration Manual.

***Funding priority will be provided to the applicant meeting the national objective benefitting low- and moderate-income persons.***

***On a form or manner provided by DED, Applicants are required to identify and document the national objective selected.***

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

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

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

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

Such an area need not be coterminous with census tract or other officially recognized boundaries, but must be the ENTIRE area served by the activity (i.e., an arterial street or sewer interceptor line running through a neighborhood would serve more residents than those in the immediate neighborhood). To determine the percentage of LMI persons in the target area, grantees may review data from the most current US Census and should consider conducting an income survey in the designated project target area. Grantees would conduct an income survey of the residents within the project target area if data from the most current Census does not reflect current relative income levels in an area or census boundaries do not coincide with the service area of an activity.

Applicants must use survey methodology as prescribed by DED and set forth in the CDBG Manual or, as appropriate, superseding policy memorandum.



- b) **Housing activities:** An eligible activity carried out for the purpose of providing or improving permanent residential structures that, upon completion, will be occupied by low- and moderate-income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property by the unit of general local government, a subrecipient, an entity eligible to receive assistance under section 105(a)(15) of the Act, a developer, an individual homebuyer, or an individual homeowner; conversion of nonresidential structures; and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. If two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure.
- c) **Limited clientele activities.** These are activities that provide a benefit to a specific group of persons rather than everyone in an area generally. It may benefit particular persons without regard to the area in which they reside, or be an activity that provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51% of the beneficiaries of the activity must be LMI persons. To qualify under this subcategory, the activity must meet one of the following tests:
- i) Exclusively benefit a clientele who are generally presumed by HUD to be principally LMI persons. The following groups are currently presumed by HUD to be made up principally of LMI persons: abused children, battered spouses, elderly persons, adults meeting Bureau of Census' definition of severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or,
  - ii) Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limit, this includes the case where the activity is restricted exclusively to LMI persons; or,
  - iii) Be of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be LMI persons (e.g. a daycare center that is designed to serve residents of a public housing complex); or,
  - iv) Be an activity that removes material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting Bureau of Census' Current Population Reports definition of "severely disabled," provided it is restricted, to the extent practicable, to the removal of such barriers by assisting the reconstruction of a public facility or improvement or rehabilitation or a privately-owned nonresidential building that does not qualify under LMI area benefit criteria.

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

- d) **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.

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.

- i) 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.

(1) Permanent jobs will be considered to be **available to** LMI persons if:

(a) 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.

(b) 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:

(i) The business must use a hiring practice that in all likelihood will result in 51% of the persons hired being LMI.

(ii) The business must consider a sufficient number of LMI applicants to meet this intent.

(iii) 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.

- ii) 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:

(1) At least 51% of the permanent jobs are known to be filled by LMI persons

(2) 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 \$12.50 per hour.

**Job Creation/Retention Requirements:** 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:

- (a) **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.
- (b) **LMI Person:** A person whose family income is equal to or less than the income limits for their resident county. This test counts the entire family (household) income. Note that the wage of the job taken is irrelevant.
- (c) **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.
- (d) **Made 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.

First consideration for jobs made available to LMI persons defined:

- (i) 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.
- (ii) 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.
- (iii) 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.

- (e) **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.

Jobs retained as a result of CDBG assistance, defined:

- (i) There must be clear and objective evidence that permanent jobs will be lost without CDBG assistance.
- (ii) The definition of "clear and objective" evidence that jobs will be lost includes:
  - 1. Evidence that the business has issued a notice to affected employees or made a public announcement to that effect; OR,

2. 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.
- (f) **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:
- (i) 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.
  - (ii) 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:

Examples of 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 1:** 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 2:** 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.

**\*\*For CDBG-CV Economic Development grantees using LMJ National Objective:** The recordkeeping requirements can be simplified. The normal job creation and retention recordkeeping requirements consider family income when determining whether a beneficiary is a person of low or moderate income, but these requirements are likely to be burdensome during a time when unemployment has surged and family income is more difficult to document. Collection of income information directly from assisted businesses can streamline assistance. For activities that prevent, prepare for, and respond to coronavirus, grantees and employers may consider individuals that apply for or hold jobs to be members of one-person families. HUD has also modified related recordkeeping requirements at 24 CFR 570.506(b)(7) (entitlement) and the jointly agreed upon requirements referenced in 24 CFR 570.490 (state) by adding the following additional presumption: the recipient may substitute records showing the type of job and the annual wages or salary of the job in lieu of maintaining records showing the person's family size and income to demonstrate that the person who filled or held/retained the job was a low- or moderate-income person. HUD will consider the person income-qualified if the annual wages or salary of the job is equal to or less than the Section 8 low-income limit established by HUD for a one-person family. Under this alternative requirement, a grantee will have substantially reduced documentation requirements because they will be working with assisted businesses rather than each person, and potentially their households, who received a job.

- 2) **Aid in prevention or elimination of slums and blight:** "Slums" has the meaning as substandard areas as defined in Section 18-2103(10) Neb. R.R.S. "Blight" has the same meaning as blighted areas as defined in Section 18-2103 (11) Neb. R.R.S. The focus of activities under the Prevention/Elimination of Slums and Blight (SB) National Objective is a *change in the physical environment of a deteriorating area or spot*. This contrasts with the LMI benefit national objective where the goal is to ensure that funded activities benefit LMI persons.

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:
- i) The area is designated by official action of the local government as substandard or blighted in accordance with the applicable state statute;

- ii) 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;
  - iii) The assisted activity is designed to address one or more of the conditions which contributed to the deterioration of the area;
  - iv) Documentation is provided and maintained by the recipient on the boundaries of the area and the conditions which qualified the area at the time of its designation; and
  - v) 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.
- 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.)

Qualifying activities under this National Objective either **1) clearly eliminate objectively determinable signs of slums or blight in a defined slum or blighted area** or **2) 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:

- i) Officially designated and meet the requirements of State statutes;
  - (1) 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;
  - (2) Documentation is maintained substantiating those conditions considered as a part of designation and re-designated every 10 years; and
  - (3) 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.

- 3) **Urgent Need:** To comply with the national objective of meeting community development needs having a particular urgency, an activity must be designed to alleviate existing conditions which the local government certifies and state determines:
- a) Pose a serious and immediate threat to the health or welfare of the community,
  - b) Are of recent origin or recently became urgent. A condition will generally be considered to be of recent origin if it is developed or became critical within 18 months preceding the state grant recipient's certification.
  - c) The local unit of government is unable to finance the activity on its own, and other sources of funding are not available to carry out the activity, as certified by both the State and the grant recipient.

### Section 2.01a | Funding Opportunity: Downtown Revitalization

Applicants must document that the proposed activity(ies) comply with a national objective. For each project activity proposed within this funding opportunity, please select one of the below national objectives.

1. Benefit to low- and moderate-income persons
  - a. Area benefit
  - b. Limited Clientele
2. Aid in prevention or elimination of slums and blight
  - a. On an Area Basis
  - b. On a Spot Basis

### Section 2.01b | Funding Opportunity: Economic Development

Applicants must document that the proposed activity(ies) comply with a national objective. For each project activity proposed within this funding opportunity, please select one of the below national objectives.

1. Benefit to low- and moderate-income persons
  - a. Jobs
  - b. Area benefit

### Section 2.01c | Funding Opportunity: Emergent Threat

Applicants must document that the proposed activity(ies) comply with a national objective. For each project activity proposed within this funding opportunity, please select one of the below national objectives.

1. Benefit to low- and moderate-income persons
  - a. Area benefit
  - b. Limited Clientele
  - c. Jobs
  - d. Housing
2. Aid in prevention or elimination of slums and blight
  - a. On an Area Basis
  - b. On a Spot Basis
3. Urgent Need

### Section 2.01d | Funding Opportunity: Owner-Occupied Rehabilitation

Applicants must document that the proposed activity(ies) comply with a national objective. For each project activity proposed within this funding opportunity, please select one of the below national objectives.

1. Benefit to low- and moderate-income persons
  - a. Housing

### Section 2.01e | Funding Opportunity: Planning

Applicants must document that the proposed activity(ies) comply with a national objective. For each project activity proposed within this funding opportunity, please select one of the below national objectives.

1. Benefit to low- and moderate-income persons
  - a. Area benefit
  - b. Limited Clientele
2. Aid in prevention or elimination of slums and blight
  - a. On an Area Basis
  - b. On a Spot Basis

### Section 2.01f | Funding Opportunity: Public Works

Applicants must document that the proposed activity(ies) comply with a national objective. For each project activity proposed within this funding opportunity, please select one of the below national objectives.

1. Benefit to low- and moderate-income persons
  - a. Area benefit
  - b. Limited Clientele

### Section 2.01g | Funding Opportunity: Tourism Development

Applicants must document that the proposed activity(ies) comply with a national objective. For each project activity proposed within this funding opportunity, please select one of the below national objectives.

1. Benefit to low- and moderate-income persons
  - a. Limited Clientele
  - b. Jobs
2. Aid in prevention or elimination of slums and blight
  - a. On an Area Basis
  - b. On a Spot Basis

### Section 2.01h | Funding Opportunity: Water/Wastewater

Applicants must document that the proposed activity(ies) comply with a national objective. For each project activity proposed within this funding opportunity, please select one of the below national objectives.

1. Benefit to low- and moderate-income persons
  - a. Area benefit
  - b. Housing



## Section 2.01i | Funding Opportunity: Youth Job Training

Applicants must document that the proposed activity(ies) comply with a national objective. For each project activity proposed within this funding opportunity, please select one of the below national objectives.

1. Benefit to low- and moderate-income persons
  - a. Limited Clientele

## Section 2.02 | Compliance with the State’s Consolidated Plan

Reserved for later or intentionally left blank

## Section 3.01 | 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. Applicants should be aware that although an activity may be eligible under Federal statute and HUD regulations, it may not be competitive under the guidelines and ranking system in the respective Nebraska CDBG Funding Opportunities. The State has adopted priorities, listed in *Section 3.02*, which increase the likelihood of funding of certain activities. Restrictions are identified in *Sections 3.03* and *3.04*.

## Section 3.02 | Priority Activities

The following activities are priority activities within the Nebraska State CDBG Program and are listed in no particular order. If any activity is not noted within the list below, please consult the CDBG Program Representative in order to determine if any other proposed activities are priorities for the program. DED also has available a “master list” of activities as they relate to national objective and accomplishments. Applicants can view this information on the CDBG Administration webpage.

### 1) Public Facilities and Improvements

- a) Clearance and Demolition: Clearance or demolition of buildings/improvements, or the movement of buildings to other sites. This activity must be used with another public facility and improvements activity.
- b) Construction Management: Costs related to compliance with Davis-Bacon and Related Acts (DBRA).
- c) Senior Centers: Acquisition, construction, or rehabilitation of a facility to be used by seniors (individuals 62 or older).
- d) Facilities for Persons with Disabilities: Acquisition, construction, or rehabilitation of centers, group homes, and other facilities (except permanent housing) for persons with disabilities.
- e) Homeless Facilities: Acquisition, construction, conversion of buildings, or rehabilitation of temporary shelters and transitional housing for the homeless, including victims of domestic violence, dating violence, sexual assault or stalking, disaster victims, runaway children, drug offenders, and parolees.
- f) Youth Centers: Acquisition, construction, or rehabilitation of facilities intended primarily for young people age 13 to 19. These include playground and recreational facilities that are part of a youth center.

- g) Neighborhood Facilities: Acquisition, construction, or rehabilitation of facilities that are principally designed to serve a neighborhood and that will be used for social services or for multiple purposes (including recreation).
  - i) Libraries: Libraries constructed must meet be accredited through the Nebraska Public Library Accreditation program.
  - ii) Community Centers
  - iii) Convention Center
  - iv) Participatory Sport Facilities
  - v) Cultural and Heritage Recreational Sites and Facilities
  - vi) Scientific and Educational Interpretive Educational Sites and Facilities
- h) Parks, Recreational Facilities: Development of open space areas or facilities intended primarily for recreational use.
  - i) Solid Waste Disposal Improvements: Acquisition, construction or rehabilitation of solid waste disposal facilities.
  - j) Flood Drainage Improvements: Acquisition, construction, or rehabilitation of flood drainage facilities, such as retention ponds, catch basins, streambank erosion controls, channelization of streambeds, or dams. This activity can also be used for “Green Infrastructure” improvements to manage stormwater. However, if stormwater management improvements are integral to another eligible CDBG activity like a street improvement activity, costs associated should be included in the street improvement activity rather than flood drainage improvements.
  - k) Water/Sewer Improvements: Installation or replacement of water lines, sanitary sewers, storm sewers, and fire hydrants. Costs of street repairs (usually repaving) made necessary by water/sewer improvement activities are included under this activity.
  - l) Street Improvements: Installation or repair of streets, street drains, storm drains, curbs and gutters, tunnels, bridges, and traffic lights/signs.
  - m) Sidewalks: Improvements to sidewalks.
  - n) Child Care Centers: Acquisition, construction, or rehabilitation of facilities intended primarily for children age 12 and under.
  - o) Fire Stations/Equipment: Acquisition, construction, or rehabilitation of fire stations and/or the purchase of fire trucks and emergency fire rescue equipment.
  - p) Health Facilities: Acquisition, construction, or rehabilitation of physical or mental health facilities. Examples of such facilities include neighborhood clinics, hospitals, nursing homes, and convalescent homes.
  - q) Other Public Improvements – Removal of Architectural Barriers
  - r) Historic Preservation (Non-Residential): Rehabilitation of historic buildings for non-residential use. Examples include the renovation of an historic building for use as a neighborhood facility, as a museum, or by a historic preservation society.
  - s) Tornado Shelters Serving Private Mobile Home Parks: Construction or improvement of tornado-safe shelters for residents of manufactured housing parks. The construction of tornado shelters may be carried out in neighborhoods that may or may not contain a manufactured housing park, provided such a neighborhood contains not less than 20 manufactured housing units and the shelter is available to the manufactured housing residents.

**2) Public Service**, including but may not be limited to:

- a) Employment Training: Assistance to increase self-sufficiency, including literacy, independent living skills, resume writing, job coaching, “how to get and keep a job” training, or training students in a particular field on skill when there is no tie to a specific position or business.
- b) Senior Services: Services for the elderly.
- c) Services for Persons with Disabilities: Services for the persons with disabilities, regardless of age.
- d) Youth Services: Services for young people age 13 to 19. For example, recreational services limited to teenagers and teen counseling programs.
- e) Substance Abuse Services: Substance abuse recovery programs and substance abuse prevention/education activities.
- f) Services for victims of domestic violence, dating violence, sexual assault or stalking: Services for victims of domestic violence, dating violence, sexual assault or stalking.
- g) Health Services: Services addressing the physical health needs of residents of the community.
- h) Mental Health Services: Services addressing the mental health needs of residents of the community.
- i) Subsistence Payments: One-time or short-term (no more than six months) emergency payments on behalf of individuals or families, generally for the purpose of preventing homelessness. Examples include utility payments to prevent cutoff of service, and rent/mortgage payments to prevent eviction.
- j) Food Banks: Costs associated with the operation of food banks, community kitchens, and food pantries, such as staff costs, supplies, utilities, maintenance, and insurance.
- k) Other Public Service: Only use this matrix code when an activity does not fall under a more specific activity listed. An example of a legitimate use of this activity is when the CDBG funds are provided to a non-profit organization that provides multiple types of social services for operating costs. In another example, when a public service activity that does not have a more specific matrix code, provides services to multiple groups of clients such as seniors, persons with disabilities, and homeless persons. For instance, for a “meals on wheels” program for seniors and persons with disabilities.
- l) Public Services Management: Delivery costs (including staff, other direct costs, and service costs) directly related to carrying out public service activities.

**3) Housing**

- a) Owner Occupied Rehabilitation: Rehabilitation of privately owned, single-unit homes.
- b) Housing Management: All delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. Examples include appraisal, architectural, engineering, and other professional services; preparation of work specifications and work write-ups; loan processing and underwriting; survey, site and utility plans; application processing.
- c) Lead-Based Paint/Lead Hazards Testing: Housing rehabilitation activities with the primary goal of evaluating housing units for lead-paint hazards and reducing lead-based paint/lead hazards in units.

#### 4) Economic Development

- a) Infrastructure Development: Street, sewer, water, parking, or other improvements to businesses and/or commercial/industrial sites. This activity also includes the installation of public improvements, such as the construction of streets to and through commercial/industrial areas.
- b) Economic Development Direct Financial Assistance to For-Profit Business: Financial assistance to private for-profit businesses to (for example) acquire property, clear structures, build, expand or rehabilitate a building, purchase equipment, or provide operating capital. Forms of assistance include loans, and grants.
- c) Commercial Rehabilitation: Rehabilitation of privately owned commercial property. This activity is limited to exterior improvements (façade improvements) and correction of code violations.  
**NOTE: this activity is allowable only through specific funding opportunity.**

#### 5) Planning

- a) Planning: Includes, but not limited to the development of comprehensive plans, community development plans, energy strategies, capacity building, environmental studies, area neighborhood plans, and functional plans.

#### 6) Administration

- a) General Administration: Overall administration, including (but not limited to) salaries, wages, and related costs of grantee staff or others engaged in grant management and implementation, monitoring, and evaluation.

## Section 3.02a | Funding Opportunity: Downtown Revitalization

Eligible activities must be located within the downtown area.

### 1) Public Facilities and Improvements

- a) Clearance and Demolition
- b) Parks, Recreational Facilities
- c) Flood Drainage Improvements
- d) Water/Sewer Improvements
- e) Street Improvements
- f) Sidewalks
- g) Other Public Improvements – Removal of Architectural Barriers
- h) Historic Preservation (Non-Residential)
- i) Construction Management

### 2) Economic Development

- a) Commercial Rehabilitation

### 3) Administration

- a) General Administration

## Section 3.02b | Funding Opportunity: Economic Development

### 1) Economic Development

- a) Infrastructure Development
- b) Economic Development Direct Financial Assistance to For-Profit Business
- c) Construction Management

### 2) Administration

- a) General Administration

## Section 3.02c | Funding Opportunity: Emergent Threat

### 1) Public Facilities and Improvements

- a) Clearance and Demolition
- b) Senior Centers
- c) Facilities for Persons with Disabilities
- d) Homeless Facilities
- e) Youth Centers
- f) Neighborhood Facilities – Libraries
- g) Neighborhood Facilities – Community Centers
- h) Parks, Recreational Facilities
- i) Solid Waste Disposal Improvements
- j) Flood Drainage Improvements
- k) Water/Sewer Improvements
- l) Street Improvements
- m) Sidewalks

- n) Child Care Centers
- o) Fire Stations/Equipment
- p) Health Facilities
- q) Other Public Improvements – Removal of Architectural Barriers
- r) Historic Preservation (Non-Residential)
- s) Tornado Shelters Serving Private Mobile Home Parks
- t) Construction Management

**2) Public Services**

- a) Senior Services
- b) Services for Persons with Disabilities
- c) Youth Services
- d) Substance Abuse Services
- e) Services for victims of domestic violence, dating violence, sexual assault or stalking
- f) Health Services
- g) Mental Health Services
- h) Subsistence Payments
- i) Food Banks
- j) Other Public Service
- k) Public Services Management

**3) Administration**

General Administration

Section 3.02d | Funding Opportunity: Owner Occupied Rehabilitation

**1) Housing**

- a) Owner Occupied Rehabilitation
- b) Housing Management
- c) Lead-Based Paint/Lead Hazards Testing

**2) Administration**

- a) General Administration

Section 3.02e | Funding Opportunity: Planning

**1) Planning**

- a) Planning

**2) Administration**

- a) General Administration

## Section 3.02f | Funding Opportunity: Public Works

### 1) Public Facilities and Improvements

- a) Clearance and Demolition
- b) Senior Centers
- c) Facilities for Persons with Disabilities
- d) Homeless Facilities
- e) Youth Centers
- f) Neighborhood Facilities – Libraries
- g) Neighborhood Facilities – Community Centers
- h) Parks, Recreational Facilities
- i) Solid Waste Disposal Improvements
- j) Flood Drainage Improvements
- k) Water/Sewer Improvements
- l) Street Improvements
- m) Sidewalks
- n) Child Care Centers
- o) Fire Stations/Equipment
- p) Health Facilities
- q) Other Public Improvements – Removal of Architectural Barriers
- r) Historic Preservation (Non-Residential)
- s) Tornado Shelters Serving Private Mobile Home Parks
- t) Construction Management

### 2) Administration

- a) General Administration

## Section 3.02g | Funding Opportunity: Tourism Development

### 1) Public Facilities and Improvements

- a) Clearance and Demolition
- b) Other Public Improvements – Removal of Architectural Barriers
- c) Historic Preservation (Non-Residential)
- d) Construction Management
- e) Neighborhood Facilities
  - i) Convention Centers
  - ii) Participatory Sport Facilities
  - iii) Cultural and Heritage Recreational Sites and Facilities
  - iv) Scientific and Educational Interpretive Educational Sites and Facilities

### 2) Administration

- a) General Administration

### Section 3.02h | Funding Opportunity: Water/Wastewater

#### 1) **Public Facilities and Improvements**

- a) Clearance and Demolition
- b) Solid Waste Disposal Improvements
- c) Flood Drainage Improvements
- d) Water/Sewer Improvements
- e) Construction Management

#### 2) **Administration**

- a) General Administration

### Section 3.02i | Funding Opportunity: Youth Job Training

#### 1) **Public Service**

- a) Employment Training

#### 2) **Administration**

- a) General Administration

### Section 3.03 | Ineligible Activities

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

- 1) General administrative and audit costs that exceed the allowable maximum.
- 2) 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, or office buildings or other facilities in which the general administrative affairs of the government are conducted. This definition does not include such facilities as neighborhood service centers or special purpose buildings located in LMI areas that house various non-legislative functions or services provided by government at decentralized locations. This does not exclude, however, the removal of architectural barriers in order to make public buildings accessible to elderly and handicapped persons.
- 3) General government expenses cannot be paid with CDBG funds, except for those costs that are directly attributable to administration of a local CDBG program and are documented as such. (Eligible cost expenses are detailed in 2 CFR. §200)).
- 4) CDBG funds cannot be used to pay for facilities or equipment used for political purposes or to engage in other political activities such as candidate forums, voter transportation, or voter registration. However, a facility originally financed in whole or in part with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns; provided all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.



- 5) The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture 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 allowance pursuant to 2 CFR §200 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible;
  - 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) CDBG funds may be used to purchase or to pay depreciation or use allowances (in accordance with 2 CFR. §200, as applicable) for such items when necessary for use by a municipality or county in the administration of activities assisted with CDBG funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service.
  
- 6) The general rule is that any expense associated with repairing, operation, or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with a public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program.

For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible, even if no other costs of providing such a service are assisted with such funds. Examples of ineligible operating and maintenance expenses are maintenance and repair of streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for the handicapped, parking and similar public facilities. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and payment of salaries for staff, utility costs, and similar expenses necessary for the operation of public works and facilities.

- 7) 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.
  
- 8) New residential construction activities or other activities associated with new residential construction 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 3.03a | Funding Opportunity: Planning

No Preliminary Engineering Reports (PERs) that are prepared in anticipation of Water/Wastewater Advisory Committee (WWAC) funding will be funded through the PP Category. PERs that are proposed without the intention of going through the WWAC process may be funded.

### Section 3.04 | 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).

**NOTE:** Use of CDBG for Special Assessments involves several caveats, depending on how the federal funds are incorporated. Compliance may be difficult to achieve. Refer to HUD guidance for details.

- 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.

- 5) **Duplication of Benefits:** Projects funded through CDBG-CV are subject to the duplication of benefits (DOB) test, which means grant funds may not be used to pay costs if another source of financial assistance is available to pay that cost. Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (the “Stafford Act”) requirements, Congress instituted a goal to achieve greater coordination and responsiveness of disaster preparedness and relief programs. Accordingly, Stafford Act duplication of benefits (DOB) requirements apply to all federal agencies, including HUD, administering a disaster recovery program providing financial assistance for emergency response and long-term recovery.

## Section 4.01 | Grant Amounts & Matching Funds

This section describes grant amounts and matching fund for each Funding Opportunity. Applicants are required to complete a budget as part of their application that aligns with the information particular to their selected Funding Opportunity.

Grant amounts vary based upon the funding opportunity within CDBG. Note: The following activities are considered supporting project costs and should not be included when determining your total CDBG project cost:

- Construction Management
- Housing Management
- General Administration

Matching funds are required in most instances and unless otherwise described below. Proposed match must be towards CDBG eligible activities (*Section 3.01*) directly related to the proposed project(s) or directly benefitting a substantial majority of the LMI persons or families residing within the service area during the grant award period. Consideration for match may be given for such sources as public and/or private funds. All cash-match is preferable.

With limited exception, as detailed below, any CDBG-eligible activity(ies) may be proposed to meet the matching requirements. **CDBG-eligible activities**, which may be further restricted for use depending on the activities proposed (e.g., housing management would not be allowable under a Public Works project), **not used for calculating match requirements:**

- 1) General Administration
- 2) Construction Management
- 3) Housing Management

Match is proportionally injected into the project as CDBG-funded activities are drawn down. For this reason, unless otherwise directed by DED or negotiated, it is recommended that each project activity proposed for CDBG-funding be matched at the proportion identified.

At DED’s discretion, in-kind contributions or services such as materials, labor, or other items that are directly related to the project, may be considered on a case-by-case basis. Where an applicant or grantee proposes use of in-kind match, the calculated value must be accountable, reasonable, and supported by adequate source documentation. It may be difficult to adequately account for such costs.

**Section 4.01a | Funding Opportunity: Downtown Revitalization**

This funding opportunity requires a 25% match against the CDBG-funded project.

<b>Downtown Revitalization – Key Minimums, Maximums, and Requirements</b>	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$400,000
General Administration	10% of CDBG Project Costs not to exceed \$35,000
Construction Management	\$10,000
Local Matching Funds	25% of CDBG Project Costs

**Section 4.01b | Funding Opportunity: Economic Development**

This funding opportunity requires a 100% match against the CDBG-funded project, i.e., 1:1 match.

<b>Economic Development – Key Minimums, Maximums, and Requirements</b>	
Maximum CDBG Project Costs	\$1,000,000
Minimum CDBG Project Costs	\$125,000
General Administration	10% of Project Costs, not to exceed \$10,000
Construction Management	\$10,000
Local Matching Funds	100% of CDBG Project Costs, i.e., 1:1 match
Public Benefit Standards per FTE – Max	\$35,000
CDBG-CV: Public Benefit Standards per FTE - Max	\$85,000
Public Benefit Standards for goods/services	Minimum: \$350 per LMI person served Maximum: \$1,000 per LMI person served
CDBG-CV: Public Benefit Standards for goods/services	\$1,700 per LMI person
Minimum Hourly Rate	\$12.50

Section 4.01c | Funding Opportunity: Emergent Threat

This funding opportunity does not have a match requirement.

<b>Emergent Threat – Key Minimums, Maximums, and Requirements</b>	
<b>CDBG: Minimum CDBG Project Costs</b>	Public Facilities and Infrastructure: \$250,000
<b>CDBG-CV: Minimum Project Costs</b>	Public Service: \$10,000 Public Facilities and Infrastructure: \$50,000
Maximum CDBG/CDBG-CV Project Costs	Public Service: \$450,000  Public Facilities and Infrastructure: \$450,000
General Administration	Public Service: based on demonstrated need, not to exceed 10% of the CDBG Project Funds or \$25,000.  Public Facilities and Infrastructure: 10% of CDBG Project Funds Requested (not including General Administration or Construction Management), not to exceed \$25,000
Construction Management (maximum)	Public Service projects: \$0  Public Facilities and Infrastructure: \$10,000
Public Services Management	Public Service projects: based on demonstrated need, not to exceed 10% of the CDBG Project Funds.  Public Facilities: \$0

Section 4.01d | Funding Opportunity: Owner-Occupied Rehabilitation

This funding opportunity does not have a match requirement.

<b>Owner-Occupied Rehabilitation – Key Minimums, Maximums, and Requirements</b>	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$750,000
General Administration	\$20,000
Housing Management	12% of Projects Costs, not to exceed \$50,000
Lead Base Paint	\$1,500 per unit

Section 4.01e | Funding Opportunity: Planning

This funding opportunity requires a 25% match against the CDBG-funded project.

<b>Planning – Key Minimums, Maximums, and Requirements</b>	
Minimum CDBG Project Cost	\$20,000
Maximum: Individual Community, CDBG Project Costs	\$50,000
Maximum: Multi-Jurisdictional/Countywide, CDBG Project Costs	\$70,000
General Administration	10% of Project Costs not to exceed \$3,000

#### Section 4.01f | Funding Opportunity: Public Works

This funding opportunity requires a 25% match against the CDBG-funded project.

<b>Public Works – Key Minimums, Maximums, and Requirements</b>	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$400,000
General Administration	10% of CDBG Project Funds Requested (not including General Administration or Construction Management), not to exceed \$25,000
Construction Management (maximum)	\$10,000
Cost per Resident Beneficiary (except for Daycares)	\$3,000
Cost per Daycare Beneficiary	\$10,000

#### Section 4.01g | Funding Opportunity: Tourism Development

This funding opportunity requires a 25% match against the CDBG-funded project.

<b>Tourism Development – Key Minimums, Maximums, and Requirements</b>	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$400,000
General Administration	10% of Project Costs, not to exceed \$25,000
Construction Management	\$10,000
Local Matching Funds	25% of Project Costs
Public Benefit Standards per FTE – Maximum	\$35,000 ( <i>LMJ Only</i> )
Minimum Hourly Rate	\$12.50

#### Section 4.01h | Funding Opportunity: Water/Wastewater

This funding opportunity requires a 25% match against the CDBG-funded project.

<b>Water/Wastewater – Key Minimum, Maximums, and Requirements</b>	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$400,000
General Administration	10% of Project Costs, not to exceed \$25,000
Construction Management	\$10,000
Local Matching Funds	25% of Project Costs
Cost per Resident Beneficiary	\$3,000

#### Section 4.02i | Funding Opportunity: Youth Job Training

This funding opportunity does not have a match requirement.

<b>Youth Job Training – Key Minimum, Maximums, and Requirements</b>	
Maximum CDBG Project Cost	\$100,000
General Administration	\$5,000

## Section 4.02 | [Reserved]

This section is reserved.

## Section 4.03 | Program Income

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 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)].

Review Chapter 8 | Program Income of the CDBG Administration Manual for information and requirements regarding Program Income.

Note: If a local unit of government has local program income currently, funding may need to be applied to this open grant first. Program Income is not allowable as local match.

## Section 4.04 | Public Benefit Standards

CDBG awards are limited to a maximum of \$35,000 per FTE job created or retained. There are incentives (in scoring the project) for awards that are less than the maximum. If the project activity provides goods or services, the amount of CDBG funds allowed for that activity cannot exceed \$1,000 per LMI person served, but must be at minimum \$350 per LMI person served. These limits are known as the Public Benefit Standard and are part of the federal limitations described in 24 CFR 570.482(f).

CDBG-CV awards are limited to a maximum of \$85,000 per FTE job created or retained. If the project activity provides goods or services, the amount of CDBG funds allowed for that activity cannot exceed \$1,700 per LMI person served; OR the assistance was provided due to business disruption related to coronavirus (in which case, no monetary standard applies because HUD has determined that there is sufficient public benefit derived from the provision of assistance to stabilize or sustain businesses in the grantee's jurisdiction that suffer disruption due to coronavirus, and that facilitation of business assistance for this purpose may help to avoid complete economic collapse within the grantee's jurisdiction).

## Section 5.01 | Application Submission

All application submission will occur electronically through a grants management system. Links to the Application Portal can be accessed using the Nebraska Department of Economic Development website, <https://opportunity.nebraska.gov/CDBG>. Access to the portal will begin in June 2020.

For additional guidance, see *Section 7*.

## Section 5.02 | Application Due Dates

Unless otherwise announced by DED through official press release or other such notification, this section describes the application due dates for each Funding Opportunity for the current program year.

The following funding opportunities will begin accepting 2020 CDBG application on July 1, 2020. Applicants may submit 2020 applications year until June 30, 2021 or as otherwise directed by the Department.

- Economic Development
- Emergent Threat, Pre-Application Required
- Tourism Development
- Water/Wastewater, Pre-Application Required
- Youth Job Training

The following funding opportunities have deadlines that the 2020 CDBG Applications must be submitted to the Department by the identified date listed below, application accepted beginning July 1.

▪ Downtown Revitalization	Full Application: September 15, 2020
▪ Owner Occupied Rehabilitation	Required Pre-Application: July 30, 2020 Full Application: September 30, 2020
▪ Planning	Full Applications: August 30, 2020
▪ Public Works	Full Application: August 15, 2020

Upon completion of the first cycle application process and availability of funding, the following funding opportunities may conduct a second cycle. The Department will issue notice if a second cycle will occur for any of the below funding opportunities.

- Downtown Revitalization
- Planning
- Public Works

**Section 5.02a | Funding Opportunity: Economic Development**

An applicant can receive more than one award under this funding opportunity during the program year. A separate application is required.

**Section 5.02a | Funding Opportunity: Emergent Threat**

Pre-applications and applications will be reviewed at least on a quarterly basis or at the Department’s discretion based on the conditions described.

There are two general classifications of applications:

- Facilities and infrastructure
- Public Service – only with CDBG-CV funds

An applicant can receive more than one award under this funding opportunity during the program year. A separate application is required.

**Section 5.02b | Funding Opportunity: Public Works**

There are two general classifications of applications:

- Infrastructure
- Public Facilities



Facilities are those activities including buildings and park facilities (e.g. community centers, neighborhood parks, tornado shelters, etc.). Infrastructure involves underlying structural systems critical to the function of the community including streets, flood control, water mains, etc. In each of the two general classifications, eligible local governments may individually or jointly apply and receive up to two grants per year in the Public Works category; one only in the facilities classification and one only in the infrastructure classification.

**Example:** In a single program year, Anytown may apply for and receive one PW grant for improvements to their community center and another to replace a water main. Projects are to be completed within twenty-four (24) months following notice of approval.

#### Section 5.02a | Funding Opportunity: Tourism Development

An applicant can receive more than one award under this funding opportunity during the program year. A separate application is required.

#### Section 5.02c | Funding Opportunity: Water/Wastewater

There are two general classifications of applications:

- Water Systems
- Wastewater Systems

In each of the two general classifications (water systems and wastewater systems), eligible local governments may individually or jointly apply and receive two grants per year.

**Example:** In a single program year, Anytown may apply for and receive one grant for improvements to their water system and another grant to improve their wastewater system. Projects are to be completed within twenty-four (24) months following notice of approval.

### Section 5.03 | Application Thresholds

Applicant must meet threshold requirements to be funded. Applications may be considered incomplete if the below threshold items are not met:

#### 1) **Performance and Eligibility Thresholds**

- a) Applicant is eligible. See *Section 1.01*.
- b) Activities are eligible and are identified as a State CDBG Priority. See *Section 3*.
- c) Applicant has no significant, unresolved audit finding.
- d) Applicant has no legal actions underway that may significantly impact its capacity.
- e) Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED.
- f) Applicant is current with all reporting requirements, including but not limited to, semi-annual project status reports, program income reports, closeout reports, audit reports, notification of annual audit reports, etc.

#### 2) **Statutory and Program Thresholds.** Applicants have completed all exhibits, this may include, but is not limited to:

- a) Notice of Public Hearing (For required language, see *Section 7*)

- b) Authorizing Resolution
- c) Statement of Assurances and Certification
- d) Citizen Participation Plan
- e) Residential Anti-Displacement and Relocation Assistance Plan
- f) National Objective Compliance with CDBG activities being applied for
  - i) Low- and Moderate-Income (LMI) on Area Basis (LMA)
  - ii) LMI on a Limited Clientele Basis (LMC)
  - iii) LMI Housing (LMH)
  - iv) LMI Jobs (LMJ)
  - v) Slum and Blight on an Area Basis (SBA)
  - vi) Slum and Blight on a Spot Basis (SBS)
  - vii) Urgent Need (UN)
- g) Waiver of Procurement Process
- h) Federal Funding Accountability and Transparency Act
- i) Map of Proposed Project Area
- j) System for Awards Management Documentation
- k) Four Factor Analysis Assessing Limited English Proficiency
- l) Language Assistance Plan, if applicable
- m) Owner Occupied Rehabilitation Program Guidelines and Reuse Plan, if applicable
- n) Local Cost-Share Documentation

- 3) ***Narrative and Context Thresholds.*** Applicants have completed a *Project Description and Project Environment Overview*. The foundation of a good application is a complete and clear *Project Description and Project Environment Overview*. These narratives are of vital importance for evaluation of an application, providing the review committee needed context to an applicant's responses to the selection criteria and thresholds for this category.

The **Project Description identifies the nature and scope of the project**, including match activities. The description must include specific, concise information identifying:

- a) Project location in context of the applicant community, including geographic boundaries of the actual project activities.
- b) Overall scope of the project, listing all project activities and how funds will be used.
- c) How the project proposes to address one primary objective and outcome as described in *Section 2.01* of the Application Guidelines.

Limit your project description narrative to 250-375 words.

**Project Description Attachment/Upload:** Applicants will also upload 1-2 contextual maps, including an annotated map of the project area in relation to the community. At a minimum, this map should include and label the project location boundaries and any key facilities and/or landmarks critical to the success of the project. Limit upload to two pages.

ADDITIONAL GUIDANCE – PROJECT DESCRIPTION: The review team utilizes your project description to determine eligibility of project activities and provides overall context to the selection criteria. 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.

The **Project Environment Overview identifies the current and existing conditions within the project location and overall community.** The overview must include specific, concise information identifying:

- a) Existing conditions of the community, including description of the overall character of the community as a whole.
- b) Existing conditions of the project location, including description of the overall character of the project location specifically.
- c) Overall purpose of the project in terms of the identified conditions.

Limit your project environment overview narrative to 250-375 words.

**Project Environment Overview Attachment/Upload:** Applicants will also upload contextual photographs (or illustrations) representing existing conditions to be addressed by the project activities. Limit upload to 1-5 pages.

**IMPORTANT NOTE:** content of uploads do not replace narrative and are requested in order to supplement your written narrative.

## Section 5.03a | Funding Opportunity: Economic Development

### Business and Financial Analysis Documentation

- Business plan-Business Strategy
- Resumes of key business personnel Business financials: balance sheet, income statement, and cash flow statements (3 years historical/2 year pro forma)
- Guarantors' financial statements Project cost documentation, including vendor quotes or engineering estimates for equipment purchases
- Borrowing resolution authorizing business representative to borrow funds from the local government System Awards Management (SAM) Documentation for Business

### Environmental Review Record

## Section 5.04 | Application Criteria

Each funding opportunity has application criteria.

### Section 5.04a | Funding Opportunity: Downtown Revitalization

The Matrix below summarizes each selection criteria as a numerical score within the DTR Category. The maximum number of points available within any application is 115 points. A minimum score of 40 points is required and some criteria require a minimum score as noted below.

For each Application, the review committee scores all selection criteria, scaled as compared to other Applicants. The review committee gives preference to project proposals that demonstrate a comprehensive approach. DED gives priority to projects that benefit low- and moderate-income persons. See Selection Criteria Detailed Matrix.

Selection Criteria Matrix – CDBG Downtown Revitalization		
Item	Criteria	Points Possible
1.	Project Design	50
	Threshold: 25 points	
	Planning and Implementation Processes	20
	Overall Purpose and Identification of Need	20
	Project Impact – Goals & Objectives	10
2.	Project Readiness	20
	Threshold: 10 points	
3.	Business & Community Support	10
	Threshold: 5 points	
4.	Organizational Preparedness	10
5.	Municipal Equalization Fund (MEF) Score	10
<b>Threshold Subtotal</b>		<b>100 points</b>
	Minimum Threshold: 40 points	
6.	Matching Funds	5
7.	LMI Benefit	5
8.	Achievements ( <i>Applicant may only earn points as an EDCC or LCC, not both.</i> )	5
	Economic Development Certified Community (EDCC)	5
	DED Leadership Certified Community (LCC)	5
<b>Total points</b>		<b>115 points</b>
On-Site Review		
<i>(Conducted at DED discretion. NOTE: No points awarded, in supplement of Application only.)</i>		

For each of the following sections, unless otherwise explicitly stated, a project narrative must be provided and any additional information as noted within each individual criterion.

### 1) Project Design

Up to 50 points is possible. Applicant must earn a minimum of 25 points to meet threshold. This criteria describes how the proposed project addresses existing conditions as derived through processes completed as a part of the predevelopment planning process and/or prior implementation efforts. The project design narrative should include summary of the overall scope of the project in relation to past, ongoing, and/or planned revitalization efforts. The application narrative shall be scored for clear and concise explanations of:

- a) Planning and implementation processes undertaken or underway to-date, including
  - i) Identification of key collaborators (e.g., individuals, organizations, businesses, etc.);
  - ii) Reasoning for selecting the proposed activities in terms of relative importance; and
  - iii) Identification and summary of any past and/or concurrent efforts to resolve the problem(s).

Limit: 150-375 words.

- b) Overall purpose and identification of need for the proposed project with references to existing, identifiable problems, and conditions (i.e., a problem statement for which you are proposing a solution).

Limit: 100-250 words.

- c) Project Impact, including concise definition of how the project fits into the Applicant’s overall revitalization effort (i.e., how you will define, measure, and accomplish success). Provide explanation of the following, (Limit each response: 25-150 words)
- i) How the project fulfills the selected National Objective(s);
  - ii) How the Applicant will define success (i.e., identify goals and objectives);
  - iii) How the Applicant will track progress in measurable units (i.e., identify measurable outcome(s); and
  - iv) How accomplishments (within project implementation) will reduce or eliminate the need(s) and, if applicable, any plans to eliminate what needs remain.
  - v) *Has the Applicant completed a formal planning process addressing the project location?*
    - (1) If yes, has the Applicant adopted a Predevelopment Study/Downtown Revitalization Plan?
      - (a) Date of adoption.
      - (b) Date of last update.
    - (2) If no, provide an explanation.

A strong narrative in this section will provide a clear nexus between the problem statement and outcomes described. Points in this section include:

- 0–9 points—inadequately defined, below average compared to other applicants
- 10–24—limited or somewhat defined, project design is not fully articulated/understood
- 25–39—reasonably defined, average compared to other applicants
- 40–50—well defined, above average compared to other applicants

**Project Design Attachment/Upload:** Applicants will also upload the **Planning and Implementation Overview**. Within this overview document, provide background information related to the project, including summary of the completed, planned, and projected activities. This is a summary of planning and implementation undertaken, attaching portions of the planning document is not sufficient. As it is supplemental to this criteria, Applicants may cite specific items included within this overview in their narrative response. Limit upload to five pages.

As appropriate and applicable, the attachment should include the following information:

- Provide an overview of the planning process, identifying the priorities and, where projects were previously implemented, describe the remaining needs and priorities to be addressed and include a timeline. This should include the date of the original planning process and any updates as completed or planned. (Updates to the downtown revitalization plan may be formal or informal based on the nature of the update.)
- Provide an overview of the implementation process underway, identifying remaining needs and priorities to be addressed within the proposed project and include a timeline for overall downtown revitalization efforts. This should include the date of completed, underway, or planned implementation projects.
- For the project described in the application, identify measurable benchmarks and outline a schedule for project implementation. Typical benchmarks include:
  - Securing administrative and engineering services,
  - Process and completion of environmental review,
  - Land acquisition,
  - Completion of plans/specifications,
  - Securing of any necessary permits and/or approvals,

- Solicit construction bids (NOTE: do not enter into contracts until receiving environmental clearance and release of funds),
- Estimated construction start and completion dates, etc.

ADDITIONAL GUIDANCE – PROJECT DESIGN CRITERIA: Community involvement and participation is a fundamental part of any successful project and is required as part of the CDBG application process. Community surveys, town hall meetings, and/or interviews with community organizations, businesspersons, government officials and other community representatives are encouraged to determine perceived community needs. Public involvement should also be used to let residents know what needs were identified, how they were identified and to give residents an opportunity to respond to the proposed project. Existing capital improvement, comprehensive, economic development, housing, or other community development plans should be reviewed to determine if they reflect current conditions and goals or if there is a need to develop new goals and action plans. Special short-term committees can be asked to validate and/or update existing information.

The proposed project does not need to be the highest community priority. Often top-ranked needs can be addressed with other more appropriate local, state, or federal financial resources. Sometimes one of the community's lower-ranked needs may address an issue that is a high priority for CDBG funds such as a project that will affect low- and moderate-income persons. Other times government and/or elected officials may be more aware of a need for that CDBG may be an appropriate resource than the general public. In this case, efforts should also be made to educate and inform the community about the need in order to build consensus and support to address the problem.

## 2) Project Readiness

Up to 20 points possible. Applicant must earn a minimum of 10 points to meet threshold. A description of prior and concurrent efforts related to the overall ability to complete the project, which includes stakeholder involvement. Narrative must convey Applicant's and, if applicable, key collaborators':

- Implementation strategy and role(s) key collaborator(s) (e.g., work plan for solutions to the problems/needs and impact as defined above); Limit: 100-250 words.
- Project readiness; Limit: 25-150 words.
- Financial and operational capacity of the community. Limit: 25-150 words.
- Has the Applicant received a CDBG award for a similar/related project?*
  - If yes, what was the year of the most recent such award?
- What other non-CDBG resources (e.g., sales taxes, grants, foundations, etc.) will be used to complete the project?*
  - Amount of secured funds (i.e., cash on-hand) as of the application submission.*

Points in this section include:

- 0-4 points—inadequately defined, below average  
*Lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the project, no clear evidence of commitment to proceed with implementation, no evidence that code enforcement is in place.*
- 5-14—reasonably defined, average compared to other applicants

*Local capacity demonstrated through past projects, past downtown and/or community improvement efforts, citizen participation, and strong evidence of a commitment to proceed with implementation of downtown revitalization plan; and code enforcement is in place.*

- 15-20—well defined, above average  
*Significant local capacity demonstrated through past improvement efforts, citizen participation, and evidence of commitment to proceed with implementation of downtown revitalization plan; code enforcement in place; and strong evidence of interest groups, organizations, and/or demonstration of other such efforts dedicated to downtown development and revitalization.*

### 3) Business & Community Support

Up to 10 points possible. Applicant must earn a minimum of 5 points to meet threshold. This criteria describes “community buy-in” as compared to other applicants as described below. Where letters of support are included, Applicant must include a summary of the noted support.

- a) Business Community Support: the level of capacity, commitment, and support.  
Limit: 150 words.
- b) Resident Support: the level of capacity, commitment, and support.  
Limit: 150 words.
- c) Community Leadership Support: the level of capacity, commitment, and support.  
Limit: 150 words.
- d) *Would a visitor to your community describe the project location as “active”?*
  - i) If yes, provide brief explanation. This should include a brief summary of events or other such programming that promotes and provides for residents and visitors gathering in the area (e.g., farmers market; annual sales; holiday, seasonal, or other festivals; etc.). Limit 150 words.
  - ii) If no, provide explanation. Limit 150 words.
- e) *Does the project effect area businesses?*
  - i) If yes, what is the number of effected businesses?
  - ii) If yes, describe how project activities effect businesses. Limit 100 words.
  - iii) If yes, has the Applicant reached out to all effected businesses?
    - (1) If yes, are all effected businesses “bought in”?
    - (2) If no, provide an explanation. Limit 100 words.
- f) *Does the project involve commercial rehabilitation activities?*
  - i) If yes, is this a continuation of an existing Commercial Rehabilitation program? (y or n)
    - (a) If yes, is that program currently or formerly funded by CDBG funds? (y or n)
      - (i) If no, what is the source of funding?
      - (b) If yes, for that program, what is the most recent year of CDBG award? #####
      - (c) If yes, in measurable units, provide a brief summary of its impact on overall revitalization. Limit 50 words.
  - ii) If yes, **upload/attach Commercial Rehab Program Guidelines**. Program Guidelines will describe and reference relevant city codes, any design standards in place, the process for

application and approval between the local government and the business, etc. If application is awarded, these guidelines are approved by the Department and local government prior to release of funds.

- iii) If yes, how many businesses have benefited to-date from this program? ##
- iv) If yes, were any businesses denied benefit due to lack of available funds?
  - (1) If yes, provide an explanation (e.g., available funds exhausted already, ineligible activities proposed by business, etc.).
  - (2) If no, provide an explanation (e.g., funds were fully expended/interest exceeded resources, funds were moved into another activity, etc.)
- v) If yes, what is the estimated total investment (including all sources) to-date? \$\$
- vi) If yes, what is the estimated total local matching/leveraged funds by area businesses? \$\$
- vii) If yes, how many businesses are proposed as a part of this application? ##
- viii) If yes, did the Applicant solicit letters of intent and/or pre-apps to gauge interest in the program?
  - (1) If yes, provide an explanation.
  - (2) If no, what evidence does the Applicant have that the program will be successful if funded?
- ix) If no, what evidence does the Applicant have that the program will be successful if funded?  
Limit 100 words.
  
- g) *Does the project involve infrastructure improvements (e.g., sidewalks, intersections, streets, public gathering space, etc.)?*
  - i) If yes, does the Applicant own the effected property(ies)?
  - ii) If no, does the Applicant have an MOU with the current ownership?
  
- h) *Does the project involve sidewalks, intersections, and/or public gathering space?*
  - i) If yes, are the proposed improvements allow for ADA-accessibility?
  
- i) *Are other formal or informal revitalization efforts complete, underway, or planned?*
  - i) If yes, provide an explanation.
  - ii) If no, provide an explanation.

A strong narrative in this section identifies a significant number of businesses and/or partners contacted or otherwise engaged (i.e., included in the predevelopment/planning process) and clearly describe how the project will foster public and private sector partnerships for prioritized improvements to the downtown. Points in this section include:

- 0-4 points—inadequately defined, below average  
*No evidence or very little evidence from the general and business community that will commit resources and support downtown revitalization efforts.*
- 5-7—reasonably defined, average compared to other applicants  
*Some evidence of from the general and business community to commit resources and support downtown revitalization efforts. This may include letters of support, letters of intent from businesses and/or partners to commit resources, financial commitments from businesses and partners, or other such evidence of support for the project from the general and/or business community.*



- 8–10—well defined, above average  
*Significant evidence from the general and business community that it will commit resources and support downtown revitalization efforts.*

**Business & Community Support Attachment/Upload:** Applicants will also upload Letters of Support. Applicants are encouraged to include letters of support, but such letters are not to be provided in place of narrative that describes and illuminates the outreach and collaborative efforts undertaken within the community by elected officials, community leaders, organizations, businesses, individuals, etc. As it is supplemental to this criteria, Applicants may cite specific items included within the letters in their narrative response. Limit upload to five pages.

#### 4) Organizational Preparedness

Up to 10 points possible. No minimum points in this section are required to meet threshold. The community has a Redevelopment Authority or other downtown/business/community/economic development organization that is operational and functioning within the community.

**Organizational Preparedness Attachment/Upload:** To receive points for this criterion, the applicant must upload a letter from the organization that verifies the presence of such organization in the community and provides a description of how the organization has played an active role throughout the downtown revitalization efforts. Moreover, the letter must describe how the organization, applicant community, and general public collaborate in terms of the proposed project.

Points in this section are awarded in five-point increments as follows:

- 0 points—no organization established or inadequately defined, below average description
- 5—organization established and reasonably defined, average description of preparedness compared to other applicants
- 10—organization established and well defined, above average

#### 5) MEF

Up to 10 points possible. No minimum points in this section are required to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program category. Narrative is not required under this section.

#### 6) Matching Funds

Up to 5 points is possible. No minimum points in this section are required 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. Table 5.04B further describes these criteria.

Percentage Exceeding Requirements	Points Available
50% or greater	5
40-49.99%	3
30-39.99%	1

## 7) LMI Benefit

Up to 5 points is possible. If project has LMI benefit under a CDBG-funded activity, five points are awarded under this criterion. No minimum points in this section are required in order to meet threshold. Narrative is not required under this section.

## 8) Achievements

Up to 5 points possible. No minimum points in this section are required to meet threshold. Due to the nature of these programs, Applicant may only earn points as an EDCC or LCC, not both. Applicant must demonstrate any of the following items at the time of application submittal, including:

Certifications:

- 1) Applicant is designated as an Economic Development Certified Community, **5 points**.  
For a complete list of communities and additional information, visit the DED website at: <https://opportunity.nebraska.gov/program/economic-development-certified-community-edcc/>
- 2) Applicant is designated as a DED Leadership Community, **5 points**.  
For a complete list of communities and additional information, visit the DED website at: <https://opportunity.nebraska.gov/program/leadership-certified-community/>

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

**Achievements Attachment/Upload:** Applicants will also upload their certificate or other documentation provided by DED that recognizes the EDCC or LCC status. Limit upload to 1-5 pages.

## On-Site Review

Conducted by DED staff, on-site reviews do not yield points independent of the Application and is not a required part of the application process, but may be completed at the Department's discretion based upon activities proposed, risk analysis considerations, or other such factors.

Evaluation considerations include observation of dilapidating or substandard conditions; infrastructure in poor condition (e.g., deteriorating streets and sidewalks, accessibility issues, drainage problems, etc.); downtown structures in poor condition observable need of façade or public safety improvements; identification of moderate to significant physical or economic blight (e.g., more than 15% of the properties in the project area in a state of physical or economic blight); and a number of vacant buildings.

**NOTE:** For the purposes of DTR, the term "physical blight" includes deteriorated conditions, or states of disrepair, of downtown infrastructure, buildings, and other physical elements which detract from the overall appearance and identify of the downtown district. The physical blight adds to depressed property values and affects the ability to market and attract investment. "Economic blight" includes the existence of vacant, disinvested, or underutilized buildings, and parcels, which represents unrealized commercial potential and create a negative image of the downtown that harms efforts to attract new investment.

## Supplemental materials

Depending on the nature and scope of project activities proposed, other items may be required prior to release of funds, if awarded. Review *CDBG Administration Manual Chapter 4* and any other guidance provided by DED.

### Section 5.04b | Funding Opportunity: Economic Development

There are **two** types of scoring criteria: **1) for Nebraska Advantage Qualified Business** (unless updated by the Nebraska Legislature) and **2) for Essential Goods or Service Business**, but both follow the parameters of the selection criteria matrix below. The maximum number of points available within any application is 110 points. A minimum score of 25 points is required.

Given the unique conditions of the covid-19 pandemic and its impact on the state, projects meeting the conditions for CDBG-CV funding are prioritized where projects involve one of the following activities:

1. Provision of assistance to private, for-profit entities, when appropriate to carry out an economic development project, involving:
  - a. Provide grants or loans to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.
  - b. Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons.

**1. Nebraska Advantage Qualified Business Scoring Criteria:** The general scoring criteria for the Program include 110 points available for any application. These criteria include: CDBG Funds Utilization; Community Impact and Investment; Business Factors; and Economic Development Certified Community. The Department's Project Review Committee considers the following criteria, and uses the following scoring spectrum, when evaluating whether an application meets the minimum threshold requirement. A project scoring less than 25 points does not meet the minimum threshold for further consideration by the Project Review Committee. Scoring 25 points is a necessary condition for further consideration; the minimum threshold is not the only determinate for a favorable recommendation submission by the Project Review Committee.

Selection Criteria	Maximum	Threshold Minimum
1. CDBG Funding Utilization	35	-
2. Community Impact and Investment	30	-
3. Business Factors	40	-
4. Economic Development or Leadership Certified Communities	5	-
Total	110 points	25 points

- a) Is the need for the project directly or indirectly related to the covid-19 pandemic?
  - i) Yes, provide explanation.
  - ii) No.

## CDBG Funding Utilization

Maximum, 35 Points

### *CDBG Funds Invested Per Job Created/Retained*

- \$35,000 or more = 0 points
- \$30,000 to <\$35,000 = 4 points
- \$25,000 to <\$30,000 = 8 points
- \$20,000 to <\$25,000 = 12 points
- \$15,000 to <\$20,000 = 16 points
- <\$15,000 = 20 points

### *CDBG Funding Compared To Total Project Funding (As %)*

- 50% = 0 points
- 33% to <50% = 2 points
- 20% to <33% = 6 points
- <20% = 10 points

### *Aggregate Wages (And Benefits) Paid To Employees in Created Jobs within One Year Compared To CDBG Funds Invested (As %)*

- 100% or less = 0 points
- >100% to <125% = 2 points
- 125% or more = 5 points

## Community Impact and Investment

Maximum, 30 Points

### *Location of community as more economically distressed than others, based on three broad location sectors:*

- Larger Community/County Locations = 10 points  
*Include: Beatrice, Columbus, Fremont, Hall County, Hastings, Kearney, Norfolk, North Platte, Scottsbluff/Gering, South Sioux City, Douglas County, Lancaster County, and Sarpy County*
- Not one of the Larger Community Locations, but in the Interstate 80 Corridor = 20 points
- Rural (Encompassing All Locations Not Within The Two Location Sectors Above) = 30 points

## Business Factors

Maximum, 40 Points

### *Owners' Equity in Project = 12 Points Possible*

- 10% Or Less = 0 points
- >10% To 20% = 4 points
- >20% To 33% = 8 points
- >33% = 12 points

### *Loan Collateral and Loan Guarantees = 6 Points Possible*

- Unsecured, Or A Junior Lien Position Offering Little Realizable Value = 0 points
- For The Spectrum In Between = 1-5 points
- Reasonably Secured As To Collateral Value And Liquidity, With Guarantees In Existence = 6 points

### *Established Business, Or Start-Up Venture = 6 Points Possible*

- Start-Up Venture With All The Usual Risks Of Failure = 0 Points
- Established Business, But With Negative Trends = 3 Points

- Established Business With Positive Trends = 6 Points

*Documentation of Funds Commitments by All Other Project Funds Sources = 4 Points*

- Letters of Commitment from financial participants. Letters need to contain: amount of financial commitment, terms and conditions.

*Duration of Commitment to Maintaining the Created/Retained Jobs = 2 Points Possible*

- Committing to maintaining only for the minimum required by the Department's guidelines = 0 points
- Committing to substantially more than the minimum = 2 points

*Targeted Industry = 10 Points Possible*

- See section 1.03a for a list of industries.

**Economic Development/Leadership Certified Community**

**Maximum, 5 Points**

Points will be awarded in this section for applicants that are designated as:

- a) Economic Development Certified Community  
<https://opportunity.nebraska.gov/program/economic-development-certified-community-edcc/>
- b) DED Leadership Certified Community  
<https://opportunity.nebraska.gov/program/leadership-certified-community/>

**2. Essential Goods and Services Business Scoring Criteria:** The general scoring criteria for the category include 110 points available for any application. These criteria include: CDBG Funds Utilization; Community Impact and Investment; Business Factors; and Economic Development Certified Community. The Department's Project Review Committee considers the following criteria, and uses the following scoring spectrum, when evaluating whether an application meets the minimum threshold requirement. A project scoring less than 25 points does not meet the minimum threshold for further consideration by the Project Review Committee. Scoring 25 points is a necessary condition for further consideration; the minimum threshold is not the only determinate for a favorable recommendation submission by the Project Review Committee.

Selection Criteria	Maximum	Threshold Minimum
5. CDBG Funding Utilization	35	-
6. Community Impact and Investment	30	-
7. Business Factors	40	-
8. Economic Development or Leadership Certified Communities	5	-
<b>Total</b>	<b>110 points</b>	<b>25 points</b>

**CDBG Funding Utilization**

**Maximum, 35 Points**

Describe the existing or imminent problem and/or an assessment of the identified community need for the business. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions. Identify past formal or informal community/ business efforts to resolve the problem. Demonstrate the capacity and commitment to successful completion of the project.

- a) Is the need for the project directly or indirectly related to the covid-19 pandemic?
  - i) Yes, provide explanation.
  - ii) No.

Points in this section include:

- 0-10 points—inadequately defined, below average
- 11-25—reasonably defined, average compared to other applicants
- 26-35—well-defined, above average

## Community Impact and Investment

Maximum, 30 Points

Describe the importance of business to the community and provide clarity on how the business benefits those identified according to the LMI CDBG National Objective for the customer service area. The significance of the project impact scored as compared to meeting the needs by the impact of the project. The application narrative shall be scored for clear and concise description of:

- a) Clearly defined goals and objectives to address the identified community problems;
- b) How the essential business will benefit the community, especially low- and moderate-income and special needs persons within the service area;
- c) The alternatives considered to address the need(s) and the rationale for selecting the proposed solution; and Indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.
- d) Identify the nearest community business that provides similar goods or services that the applicant is providing. Include mileage.

Points in this section include:

- 0-9 points—inadequately defined, below average
- 10-20—reasonably defined, average compared to other applicants
- 21-30—well defined, above average

## Business Factors

Maximum, 40 Points

A description of prior and concurrent efforts related to the business efforts/ strategy and/or work plan for meeting solutions to community needs. Identify the business factors in terms of readiness to proceed:

- a) Owner's Equity within the project
- b) Loan collateral and loan guarantees. Indicate if the loan is secured or unsecured.
- c) Documentation of funding commitment.
- d) Business Plan

Points in this section include:

- 0-15 points—inadequately defined, below average
- 16-28—reasonably defined, average compared to other applicants
- 29-40—well-defined, above average

## Economic Development/Leadership Certified Community

Maximum, 5 Points

Points will be awarded in this section for applicants that are designated as:

- a) Economic Development Certified Community  
<https://opportunity.nebraska.gov/program/economic-development-certified-community-edcc/>
- b) DED Leadership Certified Community  
<https://opportunity.nebraska.gov/program/leadership-certified-community/>

## Underwriting & Decision-Making Criteria

The Housing and Community Development Act (HCDA) and HUD's CDBG regulations outline basic project "underwriting" guidelines/standards so that state programs administering federal CDBG funds will achieve the federal objectives of the CDBG program. The underwriting standards—the decision-making criteria—used in the Nebraska CDBG ED category are designed to address these federal guidelines.

The federal CDBG guidelines, as applied by the Department, may be summarized as follows:

1. **Project costs must be reasonable**, not excessive, and must be supported by cost analyses. Transactions must be carried out through arms-length transactions, not insider arrangements.
2. All proposed **sources of financing necessary to carry out the project must be committed**. This ensures that time and effort is not wasted on assessing proposals, or awarding funds to projects, that are not in a position to proceed to project completion within a reasonable time. To fulfill this requirement, the Department requires a written verification affirming the various funding parties' intentions to make funds available, and, depending on the nature of the funding party, a showing of their capacity to actually provide such funds.
3. To the extent practicable, **CDBG funds are not to be substituted for other funds**. This standard requires a financial underwriting analysis of the project. The level of analysis will vary with the nature and complexity of the project. Since projects in this category provide financing for for-profit businesses, appropriate levels of private source financing (e.g., bank loans) are expected to be present, and equity participation in the project must be sufficient given the financial capacity of those owning the enterprise.
4. The **financial feasibility of the project** includes a public benefit. The public benefit expected from the investment of CDBG funds is the creation and maintenance of LMI jobs. That benefit will not materialize if the project is not financially feasible.
5. Avoidance of providing an **unreasonable return on investment to the owner** of the project. The availability of non-interest bearing loans and forgivable loans to for-profit businesses presents a potential for this to occur which must be addressed in analyzing, and in judging the merits of, each project.
6. To the extent practicable, **CDBG funds should be disbursed on a pro rata basis** with other project funding sources. CDBG money cannot be the first money into a project, but rather should flow into a project in proportion to other project funding sources.



Section 5.04c | Funding Opportunity: Emergent Threat

**Pre-Application:**

Pre-applications are required for a local government to receive an invitation to submit a full application for an award through the CDBG Emergent Threat (EM) Category. The pre-application determines eligibility prior to the submission of a Full Application, providing the Department with information about applicant’s eligibility, the applicant’s project activities, as well as national objective compliance.

Projects involving the prevention, preparation for, and response to coronavirus (i.e., the covid-19 pandemic) may be expedited where CDBG-CV funding will be used.

The Pre-Application consists of:

- Project Description
- Documentation of National Objective Compliance
  - Low and Moderate Income
    - Exhibit E: ACS Documentation
    - Exhibit E1: Census Income Survey (project service area)
    - Exhibit E2: Random Sample Survey (project service area)
    - Exhibit E3: Limited Clientele
  - Slum and Blight
    - Exhibit F1: Slum and Blight Area Basis Documentation
    - Exhibit F2: Slum and Blight Spot Basis Documentation
  - Urgent Need
    - Exhibit G: Urgent Need Certification and Documentation

**Full Application:**

The Matrix below describes each selection criteria as a numerical score within the EM Category. The maximum number of points available within any application is 100 points. A minimum score of 30 points is required overall.

Selection Criteria Detailed Matrix – EM Category	Maximum	Threshold Minimum
1. Project Need	40	10
2. Project Impact	30	10
3. Project Readiness	30	10
<b>Total</b>	<b>100 points</b>	<b>30 points</b>

Given the nature of public services projects vary from that of public facilities and infrastructure, there are two pathways within the application portal. The Applicant must complete the appropriate pathway based upon their selection of either:

- 1) Public Services
- 2) Public Facilities and Infrastructure

**Applications for Public Services**

Given the unique conditions of the covid-19 pandemic and its impact on the state, projects meeting the conditions for CDBG-CV funding are prioritized where projects involve one of the following activities:

- 1) Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.
- 2) Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
- 3) Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.

## 1. Project Need

- a) Describe the existing or emergent problem and/or an assessment of the identified local need for the project. Limit: 150-250 words.
- b) Is the need for the project directly or indirectly related to a federal, state, or local disaster declaration?
  - i) If yes,
    - (1) Is this project related to the following federal disaster declarations:
      - (a) Covid-19 pandemic (DR-4521)
      - (b) March 2019 Floods (DR-4420)
    - (2) If yes and not related to covid-19 or DR-4420,
      - (a) Identify declaration as either federal, state, or local.
      - (b) Identify name and/or nature of the declaration (e.g., flood, tornado, fire, infectious disease, etc.).
    - (3) Identify the date of declaration.
      - (a) **Upload** documentation of declaration. Limit upload to the official order/declaration.
      - (b) **Upload** documentation of direct or indirect impact from the declared disaster, this may include newspaper articles, quarterly or monthly reports, etc.
  - ii) If no,
    - (1) Provide explanation, including Identifying characteristics of the declaration (e.g., flood, tornado, fire, infectious disease, etc.).
    - (2) Upload documentation of existing or emergent problem. Limit upload to the most descriptive documents that demonstrate problem.

Points in this section include:

- 0 – 8 points: Inadequately defined, below average
- 9 – 25points: Reasonably defined, average compared to other applicants
- 26– 40 points: well-defined, above average

## 2. Project Impact

- a) To be eligible, the project must involve either a new service (e.g., a program that has expanded services to include delivery to elderly) or an expansion of existing services (e.g., additional nurse staff or extension of service area).
  - i) Is the proposal for an expansion of services?
    - (1) If yes, describe how the proposed solutions expand services
  - ii) Is the proposal for new services?
    - (1) If yes, describe the new service’s impact on the service area.

- b) Describe proposed solution(s) the project activity(ies) address. Limit: 100-250 words.
- c) Describe each major activity. Limit: 100-250 words.
- d) Provide information and supporting documentation identifying the national objective to be met and proposed number of beneficiaries. Limit: 100-250 words.

**Contextual Maps/Upload.** Attach contextual map(s) that identify the boundaries of the applicant’s jurisdiction, boundaries of the project service area, specific location of each activity, or other applicable boundaries related to the nature of the current conditions and proposed project. Limit upload to two pages.

Proposed solutions will be evaluated for the degree to which they are long term; appropriate in terms of existing or emergent community need; and the technical, operational, and financial aspects of the project. Points in this section include:

- 0 – 8 points: Inadequately defined, below average
- 9 – 20 points: Reasonably defined, average compared to other applicants
- 21– 30 points: well-defined, above average

### 3. Project Readiness

To the greatest extent feasible, CDBG funds are to be used as gap financing; this implies that other local, state, and federal funds will be invested in the project. Duplication of benefits is not allowable.

- a) Describe the implementation strategy. Demonstrate the capacity and commitment to successful completion of the project. Limit: 100-250 words.
  - i) *Has the Applicant identified key collaborators?*
    - (1) If yes, provide a list of collaborators and their role(s).
    - (2) If no, provide explanation.
  - ii) **Upload.** Attach Project Schedule/Timeline for Completion. Limit 1-3 pages.
- b) List and describe all other sources of funding for proposed activities.
- c) List and describe secured funds. For this purpose, *secured* funds are defined as binding commitments obtained, local funds budgeted, etc.).
- d) List and describe unsecured funds. For this purpose, *unsecured* funds are defined as all those not meeting the above definition of secured.
- e) *Does project require additional review and approval from other agencies?*
  - i) If yes, list agencies and indicate status of approval.
  - ii) If no, provide explanation.
- f) *Does the project require permits?*
  - i) If yes,
    - (1) Has the Applicant obtained all necessary permits?
    - (2) If yes, list permitting agency, name of permit, and date of receipt.
  - ii) If no, provide explanation.
- g) *Has Applicant drafted a preliminary Environmental Review Record?*
  - i) *If yes, what is the preliminary determination of level of review (DLR)?*

- ii) *If yes, briefly describe where the applicant is in this process (e.g., DLR made and contacts identified for required documentation per the statutory checklist, DLR found project to be exempt, etc.)*

For a project to be considered, sufficient other local, state, or federal funds either are not available or cannot be obtained within the time frame necessary to address the problem. Points in this section include:

- 0 – 8 points: Inadequately defined, below average
- 9 – 20 points: Reasonably defined, average compared to other applicants
- 21– 30 points: Well-defined, above average

### Applications for Public Facilities and Infrastructure

Depending upon the need, funding for this pathway may be CDBG RLF or CDBG-CV. Only projects responsive to DR-4521 will be eligible to receive CDBG-CV funding.

Given the unique conditions of the covid-19 pandemic and its impact on the state, projects meeting the conditions for CDBG-CV funding are prioritized where projects involve one of the following activities:

1. Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements, involving:
  - a. Construct a facility for testing, diagnosis, or treatment.
  - b. Rehabilitate a community facility to establish an infectious disease treatment clinic.
  - c. Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment.
2. Rehabilitation of buildings and improvements (including interim assistance), involving:
  - a. Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system.
  - b. Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery.
  - c. Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis.

### 1. Project Need

- a) Describe the existing or emergent problem and/or an assessment of the identified local need for the project. If need involves a federal, state, or local disaster declaration, be sure to identify the date of declaration and documentation. Limit: 150-250 words.
- b) Is the need for the project directly or indirectly related to a federal, state, or local disaster declaration?
  - i) If yes,
    - (1) Is this project related to the following federal disaster declarations:
      - (a) Covid-19 pandemic (DR-4521)
      - (b) March 2019 Floods (DR-4420)
    - (2) If yes and not related to covid-19 or DR-4420,
      - (a) Identify declaration as either federal, state, or local.
      - (b) Identify name and/or nature of the declaration (e.g., flood, tornado, fire, infectious disease, etc.).

- (3) Identify the date of declaration.
  - (a) **Upload** documentation of declaration. Limit upload to the official order/declaration.
  - (b) **Upload** documentation of direct or indirect impact from the declared disaster, this may include newspaper articles, quarterly or monthly reports, etc.
- ii) If no,
  - (1) Provide explanation, including Identifying characteristics of the declaration (e.g., flood, tornado, fire, infectious disease, etc.).
  - (2) Upload documentation of existing or emergent problem. Limit upload to the most descriptive documents that demonstrate problem.
- c) Identify any past formal or informal efforts to resolve the problem. Limit: 25-150 words.

Points in this section include:

- 0 – 8 points: Inadequately defined, below average
- 9 – 25points: Reasonably defined, average compared to other applicants
- 26– 40 points: well-defined, above average

## 2. Project Impact

- a) Describe proposed solution(s) the project activity(ies) address. Limit: 100-250 words.
- b) Describe each major activity. Limit: 100-250 words.
- c) Will the Applicant own, operate and maintain the proposed improvements?
- d) If no,
  - i) Who will own?
  - ii) Who will operate?
  - iii) Who will maintain?
- e) Provide information and supporting documentation identifying the national objective to be met and the proposed number of beneficiaries. Limit: 100-250 words.

**Contextual Maps/Upload.** Attach contextual map(s) that identify the boundaries of the applicant’s jurisdiction, boundaries of the project service area, specific location of each activity, and areas within the 100-year flood hazard boundary, or other applicable boundaries related to the nature of the current conditions and proposed project. Limit upload to two pages.

Proposed solutions will be evaluated for the degree to which they are long term; appropriate in terms of existing or emergent community need; and the technical, operational, and financial aspects of the project. Points in this section include:

- 0 – 8 points: Inadequately defined, below average
- 9 – 20 points: Reasonably defined, average compared to other applicants
- 21– 30 points: well-defined, above average

## 3. Project Readiness

To the greatest extent feasible, CDBG funds are to be used as gap financing; this implies that other local, state, and federal funds will be invested in the project.

- h) Describe the implementation strategy. Demonstrate the capacity and commitment to successful completion of the project. Limit: 100-250 words.
- i) *Has the Applicant identified key collaborators?*
    - (1) If yes, provide a list of collaborators and their role(s).
    - (2) If no, provide explanation.
  - ii) **Upload.** Attach Project Schedule/Timeline for Completion. Limit 1-3 pages.
- i) List and describe all other sources of funding for proposed activities.
- j) List and describe secured funds. For this purpose, *secured* funds are defined as binding commitments obtained, local funds budgeted, etc.).
- k) List and describe unsecured funds. For this purpose, *unsecured* funds are defined as all those not meeting the above definition of secured.
- l) *Does the Applicant own the property?*
- i) If no, provide explanation.
- m) *Are easements required to complete the project?*
- i) If yes, are easement rights secured?
  - ii) If no, provide explanation.
- n) *Has Applicant obtained complete final design plans?*
- o) *Has Applicant obtained bid specifications?*
- p) *Does project require additional review and approval from other agencies?*
- i) If yes, list agencies and indicate status of approval.
  - ii) If no, provide explanation.
- q) *Does the project require permits?*
- i) If yes,
    - (1) Has the Applicant obtained all necessary permits?
    - (2) If yes, list permitting agency, name of permit, and date of receipt.
  - ii) If no, provide explanation.
- r) *Has Applicant drafted a preliminary Environmental Review Record?*
- i) If yes, what is the preliminary determination of level of review (DLR)?
  - ii) If yes, briefly describe where the applicant is in this process (e.g., DLR made and contacts identified for required documentation per the statutory checklist, DLR found project to be exempt, etc.)
- s) *Has the Applicant received a CDBG award within the last five years?*
- i) If yes, list all award contract numbers and provide a one-sentence project summary identifying project activities.
  - ii) No.

For a project to be considered, sufficient other local, state or federal funds either are not available or cannot be obtained within the time frame necessary to address the problem. Points in this section include:

- 0 – 8 points: Inadequately defined, below average
- 9 – 20 points: Reasonably defined, average compared to other applicants
- 21– 30 points: Well-defined, above average

**Section 5.04d | Funding Opportunity: Owner Occupied Rehabilitation**

**Pre-Application:**

To be eligible to submit a full application within this Funding Opportunity, applicants must submit a pre-application. The pre-application determines eligibility prior to the submission of a full application, providing the Department with information about the applicant’s eligibility, the applicant’s proposed project activities, as well as a list of previous DED grants for the past five years.

**Full Application:**

The Matrix below describes each selection criteria as a numerical score within the OOR funding opportunity. The maximum number of points available within any application is 140 points. A minimum score of 30 points is required and certain criteria require a minimum score as noted below.

Selection Criteria	Maximum	Overall Threshold Minimum
1. Need/Impact	30	10
2. Capacity/Collaboration	30	10
3. Readiness	30	10
4. Match	5	
5. Municipal Equalization Fund (MEF) Score	10	-
6. Achievement in EDCC or LCC	5	-
7. Disaster 4420-DR	30	-
<b>Total</b>	<b>140 points</b>	<b>30 points</b>

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

**1. Need/Impact**

Up to 30 points is possible. A minimum of 10 points must be earned in this section or the application will not meet threshold and will not be considered for funding. The level of need/impact will be compared to other applicants. The narrative for Need/Impact shall not exceed 4 pages (13,200 characters) and should address the following items:

- Describe your existing housing stock.
- Describe the local need for the proposed CDBG project and how it was determined.
- Describe how the proposed project impacts the need in the community.

- Is housing identified in the applicant’s strategic/comprehensive plan?
  - If yes, provide the current status of the housing activities indicated in the plan.
- What other housing projects are taking place in the community or service area?

Points in this section include:

- 0-9—no clear description of the need/impact for the project.
- 10-19— reasonably defined need/impact that is average compared to other applicants.
- 20-30— above average description of need/impact.

## 2. Capacity/Collaboration

Up to 30 points is possible. A minimum of 10 points must be earned in this section or the application will not meet threshold and will not be considered for funding. The level of capacity/collaboration will be compared to other applicants. ***If the housing management organization has already been procured (Exhibit K1a/b or K2), please include in your answer the capacity of that organization in the below questions.*** The narrative for Capacity/Collaboration shall not exceed 4 pages.

- List the names of the key players (local unit of government employees and partner organizations) that will be involved in the project and describe their responsibilities and experience with this type of project. **(Must include the CDBG Certified Administrator, if known. If not known, identify the responsibilities to be completed by the CDBG Certified Administrator).**
- Describe the practices in place for managing the progress of the project.
- Identify the relationships the applicant has with contractors, consultants and other professionals that will be beneficial to the project?
- What was the public’s involvement and input for the development of this proposed project? (ex: public meetings and attendees, strategic planning, marketing/social media, etc.)
- Describe the process for referring ineligible beneficiaries to other organizations or available programs. (identify the organizations that offer owner occupied rehabilitation resources within the community)

Points in this section include:

- 0-9—no clear description of capacity/collaboration for the project.
- 10-19— reasonably defined capacity/collaboration that is average compared to other applicants.
- 20-30— above average description of capacity/collaboration.

## 3. Readiness

Up to 30 points possible. A minimum of 10 points must be earned in this section or the application will not meet threshold and will not be considered for funding. The level of readiness by the community will be scored as compared to other applicants. The narrative shall not exceed 3 pages.

- Describe any interest from potential beneficiaries, including any wait lists already started. (Identify how many applications have been received in the last 12 months and how many are income qualified or could potentially be income qualified for this OOR program.)
- Provide an anticipated timeline for the project outlining major milestones. (These milestones must be entered into the Performance Plan).



- Provide a synopsis of the community’s program guidelines for the proposed project. (Referencing Program Guidelines for this question is not sufficient)
  - Describe how the amount of assistance provided per unit is determined.
  - Provide an explanation of how a unit is determined to be infeasible.

Points in this section include:

- 0-9—no clear description of the readiness for the project.
- 10-19— reasonably defined readiness that is average compared to other applicants.
- 20-30— above average description of readiness.

**4. Match**

Up to 5 points possible, no minimum points required to meet threshold. Match is not required. Points will be awarded to applicants based on the amount of cash match provided. Matching funds are defined as cash funds committed to the project activities. Matching 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 match must be given in dollars. The table below further describes this scoring criteria.

Matching Funds	
5 points	10% or greater of total CDBG project cost
4 points	5-9.99% of total CDBG project costs
3 points	3-4.99% of total CDBG project costs
2 points	Less than 3% of total CDBG project cost
0 points	No match

**5. MEF**

Up to 10 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this 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.**

**6. Achievement:**

Up to 5 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal. These items include:

- a. Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <https://opportunity.nebraska.gov/program/economic-development-certified-community-edcc/>. **5 points**
- b. Applicant is designated as a DED Leadership Community. For a complete list of communities and additional information visit the DED website at: <https://opportunity.nebraska.gov/program/leadership-certified-community/>. **5 points**

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

**7. Disaster 4420-DR:**

30 points for projects related to disaster recovery from March 2019 flooding. Points are only awarded for those projects addressing the unmet housing needs related to 4420-DR. Projects are not required to be tied to Disaster DR to receive funding. For a map of areas included within the declaration, see <https://www.fema.gov/disaster/4420>.

- a) Is the need for the project directly or indirectly related to the March 2019 floods (federal disaster declaration 4420-DR)?
- b) If no, no additional points or consideration to this effect.

**Section 5.04e | Funding Opportunity: Planning**

The Matrix below describes each selection criteria as a numerical score for the Planning application. The maximum number of points available within any application is 115 points. A minimum score of 45 points is required and some criteria require a minimum score as noted below. For each Application, the review committee scores all selection criteria in five-point increments and on a scale as compared to other Applicants. Preference is given to project proposals that demonstrate a comprehensive approach. Priority is given to projects that benefit low- and moderate-income persons.

<b>Selection Criteria Matrix – CDBG Planning (PP) Category</b>		
<b>Item</b>	<b>Criteria</b>	<b>Points Possible</b>
<b>1. Project Need (threshold: 15 pts)</b>		<b>30</b>
	Overall Purpose of Project	20
	Capacity and commitment	5
	Past efforts to resolve the problem	5
<b>2. Project Impact (threshold: 15 pts)</b>		<b>30</b>
	Goals and objectives	5
	Community, especially LMI benefit	10
	Accomplishment in measurable units	5
	Alternatives considered	5
	Formal study recommendation	5
<b>3. Project Readiness – Local Effort (threshold: 15)</b>		<b>30</b>
	Planning activities and methodology	15
	Community involvement/stakeholder support (DTR pre-development Phase I studies should include business support)	15
<b>4. Municipal Equalization Fund (MEF) Score</b>		<b>10</b>
<b>5. National Objective (LMI Benefit)</b>		<b>5</b>
<b>6. Match</b>		<b>5</b>
<b>7. Sustainability</b>		<b>5</b>
	Energy efficiency	
	Reduce inefficiencies	

	Environmental stewardship	
<b>Total (minimum threshold 45 pts)</b>		<b>115</b>

## 1. Project Need

Up to 30 points is possible. A minimum of 15 points in this section is required in order to meet threshold.

- a) Overall Purpose:
  - i) Describe the existing or imminent problem based on existing, identifiable problems, and conditions. How would the plan address it?
  - ii) How were the problems determined?
- b) Capacity and Commitment:
  - i) How is the community prepared to undertake this project?
  - ii) What is the community committing to, in regards to this project?
- c) Past Efforts:
  - i) What has the community done previously to resolve the problem stated above?
  - ii) Has the community completed any formal or informal planning efforts to resolve the problem?
  - iii) If yes, explain...

### Points in this section include:

- 0-10 points—inadequately defined, below average
- 11-20 —reasonably defined, average compared to other applicants
- 21-30 —well-defined, above average

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

## 2. Project Impact

Up to 30 points possible. A minimum of 15 points in this section in order to meet threshold.

- a) Goals & Objectives:
  - i) If awarded, describe the community's goal for the project.
  - ii) Describe what objectives will be set to ensure project success.

NOTE: The goal is the ultimate end point. The objectives are precise actions/steps taken to get there – i.e. specific, measurable, tangible.

- b) Community:
  - i) How will this project impact the community?
  - ii) How will this project impact LMI individuals within the community, specifically?
- c) Accomplishment:
  - i) Will the community impact be measurable?
  - ii) If yes, explain the degree to which the accomplishments within project implementation (after plans have been completed) will reduce or eliminate the need(s).
  - iii) How does the community plan to eliminate what needs remain?
- d) Alternatives:
  - i) Were any alternative resources, other than CDBG, considered?

- ii) If yes, explain which ones and rationale for selection.
- e) Formal Study:
  - i) Was a formal study/report completed that recommends the proposed solution?
  - ii) If yes –
    - (a) Who completed the study/report?
    - (b) When was the study/report completed?
    - (c) Briefly explain the findings.

Points in this section include:

- 0-10 points—inadequately defined, below average
- 11-20 —reasonably defined, average compared to other applicants
- 21-30 —well-defined, above average

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

### 3. Project Readiness\_(Local Effort):

Up to 30 points possible. A minimum of 15 points in this section in order to meet threshold.

- a) Planning & Methodology:
  - i) Describe the planning activities and methodology (e.g. work plan) for achieving the goals and objectives as outlined under the Project Impact section. This narrative should list and describe the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity.

NOTE: This would be your strategy. A strategy is how one plans to achieve their objectives and goals – i.e. the programs, initiatives, schedules, etc.

- b) Citizen Participation/Stakeholders:
  - i) Describe the citizen participation process, specifically outlining how broad-based community involvement/awareness has and/or will be utilized throughout the project and any related timelines.

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

Points in this section include:

- 0-10 points—inadequately defined, below average
- 11-20—reasonably defined, average compared to other applicants
- 21-30—well defined, above average

### 4. Municipal Equalization Fund (MEF)

Up to 10 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program category. Narrative is not required under this section.

### 5. LMI Benefit

Up to 5 points is possible. If project has LMI benefit under a CDBG-funded activity, five points are awarded under this criterion. No minimum points in this section are required in order to meet threshold. Narrative is not required under this section.

### 6. Matching Funds

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

Matching Funds Provided	Points Available
50% or greater	5
40-49.99%	3
30-39.99%	1

### 7. Sustainability Achievement Points

Up to 5 points possible. No minimum points are required in order to meet threshold. Points will be awarded in this section for applicants who explicate how the plan will address one of the following sustainability concerns in the community going forward - (a) promoting energy efficiency throughout the community and project area; (b) reduction of inefficiencies throughout the community in relation to: budget, operations, and project implementations; and (c) promote environmental stewardship.

### Section 5.04f | Funding Opportunity: Public Works

The Matrix below describes each selection criteria as a numerical score within the PW category. The maximum number of points available within any application is 110 points. A minimum score of 55 points is required and some criteria require a minimum score as noted below.

Selection Criteria Matrix – CDBG PW Category Table		
Selection Criteria	Maximum	Threshold Minimum
1. Need & Extent of the Problem	40	25
2. Citizen Participation	15	10
3. Project Impact	15	10
4. Project Readiness	15	10
5. Municipal Equalization Factor (MEF)	10	-
6. Matching Funds	5	-
7. LMI Benefit	5	-
8. Achievements	5	-
<b>Total</b>	<b>110 points</b>	<b>55 points</b>

#### 1. Need & Extent of the Problem

Up to 40 points is possible. A minimum of 25 points in this section is required in order to meet threshold. This section gives the applicant an opportunity to describe the need for the project; how that project will

meet an essential community development need; and how and why the project will improve the viability of the community. The application narrative must address the following.

- a) Provide documentation with regard to the need, the cause of the problem, how long the problem has existed and how the problem affects the community. Document the urgency of the problem and if any state/federal regulations are being violated. Provide factual information that illustrates the severity of identified problems in community. Include photographs, maintenance costs, etc. as applicable.
- b) Describe the importance of this project need as compared to total community needs.
- c) Describe past efforts from the previous 3-5 years to address the community's overall needs. This includes the proposed project as well as any other city activities such as street improvements, water/sewer improvements, senior center, ADA, etc.
- d) Summarize the alternative solutions that were examined to address the need above, including a financial analysis of all the proposed solutions (for example, if other solutions were too expensive, maintenance and upkeep costs are too high, etc.). State why the solution was chosen and the reasoning behind the choice.
- e) Has there been a formal study/report completed that recommends the proposed solution? If so, who completed it and when?

Points in this section include:

- 0 – 24 points: Inadequately defined, below average
- 25 – 35 points: Reasonably defined, average compared to other applicants
- 35 – 40 points: Well-defined, above average

## **2. Citizen Participation**

Up to 15 points is possible. A minimum of 10 points in this section in order to meet threshold. This section gives the applicant an opportunity to describe the citizen participation process that helped to determine the needs in the community. The application narrative must address the following.

- a) Did the community's citizens have an active role in determining the needs identified in the Need & Extent of the Problem section above? If so, describe the process – i.e. a community needs assessment, community needs survey, public meetings to discuss outcomes, complaints in regard to the problems (for example, potholes, etc.). Include dates of each activity.
- b) Has the community developed a priority list using needs assessment, survey, public meetings, etc.? (yes or no)
- c) Provide a record of conducting other community, housing and economic development efforts with significant citizen involvement within the last 3-5 years that address items on the community's priority list as well as other efforts – for example, a comprehensive plan, housing study, a capital improvement plan, LB840, a business retention and expansion survey, or other fundraising efforts.

Points in this section include:

- 0 – 9 points: Inadequately defined, below average
- 10 – 12 points: Reasonably defined, average compared to other applicants
- 13 – 15 points: Well defined, above average

### **3. Project Impact**

Up to 15 points possible. A minimum of 10 points in this section in order to meet threshold. This section gives the applicant the opportunity to describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. For this criteria, it is necessary to create a nexus between the project need and the project outcomes as proposed. The application narrative must address the following.

- a) How will the completed activities benefit the community? Include discussion about how it will benefit low- and moderate-income persons?
- b) Describe the proposed project outcome in measurable units, the degree to which these accomplishments within project implementation will reduce or eliminate the need(s), and any plans to eliminate what needs remain (if any). Include financial information, if applicable (for example, if maintenance costs are expected to decrease, those costs can then go towards a different community need, etc.).

Points in this section include:

- 0 – 9 points: Inadequately defined, below average
- 10 – 12 points: Reasonably defined, average compared to other applicants
- 13 – 15 points: Well defined, above average

### **4. Project Readiness**

Up to 15 points possible. A minimum of 10 points in this section in order to meet threshold. This section gives the applicant the opportunity to describe prior and concurrent efforts related to the overall planning strategy; work plan for solutions to the problems/needs and impact as defined above; project readiness; and financial and operational capacity of the community. The application narrative must address the following.

- a) Describe the degree to which the applicant is ready to proceed with the project. The response should describe the applicant's capacity and commitment to successfully implement change and to complete the project.
- b) Does the applicant currently own the associated land? (yes or no)
  - i) IF NO: If land is yet to be purchased, does the applicant have ownership of the land or have an "option to purchase" the land?
  - ii) If YES: UPLOAD: Attach documentation as necessary.
  - iii) IF NO: provide explanation.
- c) Are there any known environmental concerns that would delay the project? (yes or no)
- d) Have Davis-Bacon wage rates been considered in all cost estimates? (yes or no)
- e) Provide a preliminary work-plan and narrative that lists and describes the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity. The work-plan should cover the entire grant period from approximate time of grant award to close-out. See the attached template.
  - i) UPLOAD: Attach work plan.
- f) Describe the project specific roles and responsibilities and the knowledge/experience of individual key staff members in planning, managing, and implementing projects in accordance with the work-plan/narrative schedule.
- g) Is there an operation and/or maintenance plan?

- i) IF YES: Describe any operation and maintenance (O & M) planning that has gone into the development of the project, including cost estimates and associated funding sources; daily or other periodic maintenance activities; repairs such as replacing broken windows (buildings) or potholes (streets); capital improvements or replacement reserves for repairs such as replacing the roof; fire and liability insurance (may not apply to most types of infrastructure projects, such as water and sewer lines); and security (if applicable).
- ii) IF NO: provide explanation.
- h) Does the community have letters of support for the project?
  - i) IF YES: UPLOAD\*\*.

Points in this section include:

- 0 – 9 points: Inadequately defined, below average
- 10 – 12 points: Reasonably defined, average compared to other applicants
- 13 – 15 points: Well defined, above average

### 5. Municipal Equalization Fund (MEF)

Up to 10 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program category. Narrative is not required under this section.

### 6. Matching Funds

Up to 5 points is possible. No minimum points in this section are required 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. Table 5.04B further describes these criteria.

Table 5.04B. Match Points Available	
Percentage Exceeding Requirements	Points Available
50% or greater	5
40-49.99%	3
30-39.99%	1

### 7. LMI Benefit

Up to 5 points is possible. If project has LMI benefit under a CDBG-funded activity, five points are awarded under this criterion. No minimum points in this section are required in order to meet threshold. Narrative is not required under this section.

### 8. Achievements

Up to 5 points possible. No minimum points in this section are required to meet threshold. Due to the nature of these programs, Applicant may only earn points as an EDCC or LCC, not both. Applicant must demonstrate any of the following items at the time of application submittal, including:

- a) Applicant is designated as an Economic Development Certified Community, **5 points**.  
For a complete list of communities and additional information, visit the DED website at: <https://opportunity.nebraska.gov/program/economic-development-certified-community-edcc/>



- b) Applicant is designated as a DED Leadership Community, **5 points**.

For a complete list of communities and additional information, visit the DED website at: <https://opportunity.nebraska.gov/program/leadership-certified-community/>

### Supplemental materials

Depending on the nature and scope of project activities proposed, the following information may be required for the application:

- Attachment 1: For proposed facility activities, submit a Facility Floor Plan (for all facility projects)

### Section 5.04g | Funding Opportunity: Tourism Development

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 110 points. A minimum score of 40 points is required and some criteria require a minimum score as noted below. Priority is given to projects meeting the primary national objective of benefiting low- and moderate-income persons.

Selection Criteria Detailed Matrix –TD Category	Maximum	Threshold Minimum
1. Project Need	20	10
2. Project Impact	20	10
3. Project Readiness	25	10
4. Community Support	25	10
5. Municipal Equalization Fund (MEF) Score	10	-
6. Match	5	-
7. LMI Benefit	5	
<b>Total</b>	<b>110 points</b>	<b>40 points</b>

When more than one application is under review, those ranking highest in competitive order shall be selected for funding subject to the amount of funds available for each priority. Otherwise, an applicant under individual review scored according to the selection criteria and must meet the minimum threshold for consideration for approval.

#### 1. Project Need

Up to 20 points possible. If the minimum of 10 points is not met, the application will not be reviewed further. The level of project need compared to other applicants.

The application narrative 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 address 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.

Points in this section include:

- 0 - 9:** No clearly defined conditions or no clear description of the need for the project.
- 10 - 14:** Minor conditions or minor needs only defined.
- 15 - 20** Major conditions or description of project need clearly defined.

## 2. Project Impact

Up to 20 points possible. If minimum of 10 points is not met, the application will not be reviewed further. Within this section, the applicant explains the expected outcome of the project and the positive impact on local and regional economies.

- a) 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.
- b) The significance of the project impact scored as compared to other applicants.

Points in this section include:

**0 - 9:** Inadequately defined project impact.

**10 - 14:** reasonably defined project impact that is average compared to other applicants.

**15 - 20:** above average description of project impact.

## 3. Project Readiness

Up to 25 points possible. If minimum of 10 points not met, the application will not be reviewed further. The level of capacity and commitment by the community scored as compared to other applicants.

Points in this section will include:

**0 - 9:** 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.

**10 - 19:** Local capacity 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 secured.

**20 - 25:** 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 completed as attachment.

## 4. Community Support

Up to 25 points possible. If the minimum of 10 points not met, the application not reviewed further. Applicant's description of public participation and the process used to identify community needs and allocate resources to address needs compared to other applicants.

The following criteria is taken into consideration when determining the community score for the Citizen Participation section. Check yes or no and enter date last accomplished. Support with attachments.

Yes or no box for all items

- a) Completed a comprehensive needs assessment date field for all items include
- b) The needs assessment process includes documented citizen participation
- c) Developed, distributed, and analyzed a community needs survey
- d) Held public meetings to discuss the outcomes on the community needs analysis
- e) Documentation showing the community needs assessment took place within the past 3 years
- f) Developed a priority list using the community needs assessment process

- g) Developed a strategy to address items in order of the communities priority list
- h) 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
- i) The community has adopted or updated a comprehensive plan, housing study, and/or a capital improvement plan within the last five years
- j) 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 - 9:** Has not completed a majority of the above criteria.

**10 - 19:** Has completed a majority of the above criteria

**20 - 25:** Has completed and properly documented most or all of the above criteria.

### 5. Municipal Equalization Fund (MEF)

A Municipal Equalization Fund (MEF) score 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.

### 6. Matching Funds

Up to 5 points is possible. No minimum points in this section are required 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. Table 5.04B further describes these criteria.

Percentage Exceeding Requirements	Points Available
50% or greater	5
40-49.99%	3
30-39.99%	1

### 7. LMI Benefit

Up to 5 points is possible. If project has LMI benefit under a CDBG-funded activity, five points are awarded under this criterion. No minimum points in this section are required in order to meet threshold. Narrative is not required under this section.

### Section 5.04h | Funding Opportunity: Water/Wastewater

Water/Wastewater applicants must have submitted a pre-application and Preliminary Engineering Report (PER) (see Water/Wastewater Pre-application) to the Water Wastewater Advisory Committee (WWAC). During that review, The Drinking Water and the Clean Water State Revolving Funds priority systems will be used to prioritize projects. For more information on the Drinking Water and Clean Water State

Revolving Fund priority system please contact Steve McNulty at the Nebraska Department of Energy & Environment 402.471.1006 or Marty Norton at the US Department of Agriculture 402.437.5560.

For Clean Water Revolving Fund please visit <http://www.deq.state.ne.us/Publications+CWSRF>.

For Drinking Water Revolving Fund please visit <http://www.deq.state.ne.us/Publications+DWSRF>.

After the WWAC review is completed and if applicable, the applicant may be invited to apply by DED. DED staff will then review the application on the matrix below, which describes each selection criteria as a numerical score within the WW category. The maximum number of points available within any application is 100 points. A minimum score of 50 points is required and some criteria require a minimum score as noted.

Selection Criteria Detailed Matrix –WW Category	Maximum	Threshold Minimum
1. Community and Project Need	40	20
2. Project Impact	30	15
3. Project Readiness	30	15
<b>Total</b>	<b>100</b>	<b>50</b>

### 1. Community and Project Need

Up to 40 points possible. If the minimum of 20 points not met, the application not reviewed further. Describe the existing or imminent problem and/or an assessment of the identified local need for the project. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions; identify any past formal or informal efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project. Also, address the following items:

- a) Has a public meeting been held in the last 3 years? If yes, please attach a separate sheet with the dates of the meetings and purpose.
- b) Do you have a 1 & 5 year Action Plan?
- c) Do you have a comprehensive Plan? If yes, what are the dates of the Comprehensive Plan?
- d) Has a community assessment been completed? If so, please provide the date it was completed.
- e) Do you have a capital improvement plan? If yes, please provide the date of the most current plan.
- f) Have you completed any projects in the last 5 years? If yes, please attach a separate sheet listing the projects completed and the date of completion.

A strong narrative in this section will provide a clear nexus between the problem statement and outcomes described. Points in this section include:

- 0–19 points—inadequately defined, below average compared to other applicants
- 20–25—limited or somewhat defined, project design is not fully articulated/understood
- 26–32—reasonably defined, average compared to other applicants
- 33–40—well defined, above average compared to other applicants

## 2. Project Impact

Up to 30 points possible. If the minimum of 15 points not met, the application not reviewed further. Proposed solutions will be evaluated for the degree to which they are long term; appropriate in terms of capacity, sizing, and demand for the community, as well as technical, operational and financial aspects of the project. Solutions must alleviate high priority needs. **Applicants must have a reasonably projected user fee, including all potential grant funds, exceeding \$30 per household per month.**

Describe each major activity and identify who will own, operate and maintain the proposed improvements. Provide information and supporting documentation identifying the number of residential users; projected monthly residential rate; debt service portion of the rate; operation and maintenance portion of the rate and identify if the water system is metered. If not, will the water system be metered as part of the project? Also, include maps that identify the boundaries of the applicant's jurisdiction, boundaries of the project service area, specific location of each activity, and areas within the 100-year flood hazard boundary.

Points in this section include:

- 0–14 points—inadequately or somewhat defined, below average compared to other applicants
- 15–25—reasonably defined, average compared to other applicants
- 26–30—well defined, above average compared to other applicants

## 3. Project Readiness

Up to 30 points possible. If the minimum of 15 points not met, the application not reviewed further. Projects will be reviewed for the extent to which matching funds have been secured (binding commitments obtained, local funds budgeted, etc.), and realistic schedules are provided to: secure necessary property and easement rights, complete environmental review that complies with CDBG requirements, complete final design plans and bid specifications, complete review and obtain approval by other agencies of all permits necessary to complete project, start, and complete construction. For projects that contain the development of a well field, the water quality, and production capabilities of the site must be confirmed through the development of a test hole before an application will be considered.

Also, within this section, identify measurable benchmarks and outline a schedule for project implementation. Typical benchmarks include:

- Administrative Services Secured
- Engineering Services Secured
- Environmental Review Completed
- Land Acquired
- Test Hole Drilling Completed
- Water Quality Testing Completed
- Plans and Specifications Completed and Approval Dates
- Permits Obtained
- Approvals Obtained
- Solicit Construction Bids
- Award Contracts
- Construction Start Date
- Construction Completion

Points in this section include:

- 0–14 points—inadequately or somewhat defined, below average compared to other applicants
- 15–25—reasonably defined, average compared to other applicants
- 26–30—well defined, above average compared to other applicants

**Ties shall be broken when two or more projects: a) have equivalent SRF priority ranking, b) propose appropriate solutions, c) are ready to promptly start and complete activities, and d) adequate CDBG funding for all projects is not available. The community with the highest percent of low- and moderate-income persons shall have priority.**

### Section 5.04i | Funding Opportunity: Youth Job Training

The Matrix below describes each selection criteria as a numerical score within the JT Category. The maximum number of points available within any application is 100 points. A minimum score of 20 points is required overall.

Selection Criteria Matrix –JT Category	Maximum	Threshold Minimum
1. Project Need	30	
2. Project Readiness	30	
3. Project Impact	10	
4. Project Sustainability	30	
<b>Total</b>	<b>100 points</b>	<b>20 points</b>

#### 1. Project Need

- a) Describe the underlying characteristics of existing student population (e.g., free and reduced lunches, number of students that are characterized at-risk, etc.) and/or an assessment of the identified schools’ need for the project. Limit: 150-250 words.
- b) A statement of how the facility will meet the low-and moderate-income (LMI) requirement. LMI is defined as household incomes below 80% of the county median household income. The LMI requirement must be satisfied by student’s participation within the program where at least 51% of students meet the LMI requirement. Limit: 25-150 words.
- c) Identify any past formal or informal efforts to address this need. Limit: 25-150 words.

#### 2. Project Readiness

- a) Provide a timeline of proposed activities, including:
  - i) Timeline for program development and implementation
  - ii) Anticipated date students enroll in expanded or new programing
  - iii) Anticipated date for full capacity (be sure to indicate the number of students to be served at full capacity).
- b) Identify the partner organizations. The project must include a partnership with a local public educational entity and the Nebraska JAG Program. (See Section 1.03) Upload letters or MOU documenting the partnerships.

### 3. Project Impact

- a) List one or more outcomes to reflect the annual number of participants that will successfully enroll in and complete the training program
- b) Describe the tools and processes that will be used to track student progress, indicate the frequency of the evaluation.

### 4. Project Sustainability

- 1) Describe how the program will be implemented in a 24 month period.
- 2) Describe how this program will be supported and/or expanded in the future after CDBG funds have been invested.

## Section 5.05 | Application Development and 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.

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. Refer to the CDBG Administration Manual for more information.

## Section 5.06 | Application Review and Selection

All applications will be reviewed to ensure the threshold requirements identified in Section 5.03 are met. If an application contains missing or incomplete threshold items, the Department will notify the applicant and provide the applicant a timeframe to respond. Failure to submit the complete threshold items within the Department's designated timeframe may result in the application to be considered incomplete. The resubmitted threshold items will be reviewed for compliance. If the resubmitted threshold items are incomplete, the application will be considered incomplete and not eligible for scoring and/or award.

If an application meets all of the threshold requirements, then the application will be reviewed based on the application criteria identified in Section 5.04. Until available funds are exhausted and/or at the Department's discretion, the highest ranking applications are recommended for award.

Unless otherwise noted, applications for all Funding Opportunities are reviewed by committee, which may include consultation with other vested state agencies.

Recommended applications are presented to the DED Director for a grant award (i.e., Notice of Approval).

### Section 5.06a | Funding Opportunity: Economic Development

Decisions on Economic Development applications will be reviewed by the Department Project Review Committee. This review is based on the individual and collective determination of Committee members, in consultation with other Department staff as necessary, applying analyses of objective criteria important in assessing whether to invest federal CDBG and CDBG-CV dollars on a proposed project and in distinguishing among competing applications. A group/consensus decision is reached evaluating the merits of each application and deciding whether to fund, and at what level of funding.

## Section 5.07 | 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:

**1. Records and Reporting:** 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. 2 CFR §200 Subpart F**

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

**3. Davis-Bacon Act and Related Acts**

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

**4. Acquisition/Relocation:**

Regulations for acquisition and relocation emphasize anti-displacement and should be discussed with the Department Uniform Relocation and Real Properties Acquisition Act (URA) representative at the beginning of the project. URA applies 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- and moderate-income dwelling units. Grantees will be required to replace every occupied unit that is demolished or converted with CDBG funds on a one-for-one basis within a three-year period.

**5. Regulations Emphasize Anti-Displacement**

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

**6. Procurement**

Open and free competition on solicitation of professional services bidding is also required in most cases. If the applicant intends to use CDBG funds to pay all or a portion of fees, or intends to claim fees as match, then CDBG procurement guidelines must be followed. Grantees must establish and maintain effective internal controls over the CDBG award, providing reasonable assurance that all



parties involved are compliant with federal, state, and local statutes, regulations, and the terms and conditions of the CDBG award. For more information, see *Section 5.05* of the Application Guidelines.

**7. Environmental Review**

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

**8. Special Assessments**

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

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

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

**10. International Energy Conservation Code**

Most new construction or substantial rehabilitation of buildings must meet the 2018 International Energy Conservation Code (IECC), effective July 1, 2020 as the Nebraska Energy Code specifications for meeting the standards enforced by the Nebraska Department of Environment & Energy for municipalities or counties that have not adopted an approved energy code. This applies to lighting, heating, cooling, ventilating, or water heating equipment or controls, as well as building envelopes. Contact NDEE Air, Land & Energy, Energy & Assistance Division for further information about the program requirements at (402) 471-2186 or <https://neo.ne.gov/>.

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

**11. Continued Use**

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

## Section 6.01 | Glossary of Terms

### **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 §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.

### **Duplication of Benefits (DOB) Requirements or DOB test**

Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (the "Stafford Act"), Congress instituted a goal to achieve greater coordination and responsiveness of disaster preparedness and relief programs. Accordingly, Stafford Act duplication of benefits (DOB) requirements apply to all

federal agencies, including HUD, administering a disaster recovery program providing financial assistance for emergency response and long-term recovery. In accordance with the CARES Act, CDBG-CV funds are subject to these requirements.

### **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.

**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., General Administration) or supporting project costs (i.e., Construction Management, Housing Management, and 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)*.

**Threshold**

The minimum that an applicant must score to be considered for funding. For example, *“A project scoring less than 25 points does not meet the minimum threshold for further consideration by the Project Review Committee* means that if the application does not score at least 25 points, the application will not be funded.

**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.

## Section 7.00 | Additional Guidance and Materials

This section includes additional guidance and materials for an applicant's use in preparing their submission, unless otherwise explicitly noted, applicants must not deviate from the language provided for their use in preparing their submission materials.

### Section 7.00a | Notice of Public Hearing – Required Language

A public hearing is required as part of the application process, the language below is for your use in creating the official notice for that purpose. At this hearing, applicant must review specific CDBG program requirements and related project issues. For example, if taxes or user charges will need to be increased as part of financing the project, it is especially important that residents understand the necessity of raising funds. This discussion would then be specifically reflected in the meeting minutes.

The public hearing must include the following:

1. How the need for the activities was identified;
2. How the proposed activities will be funded and the sources of funds;
3. Requested amount of federal funds;
4. Estimated portion of federal funds that will benefit low-and moderate-income persons;
5. Where the proposed activities will be conducted;
6. Plans to minimize displacement of persons and businesses resulting from funded activities;
7. Plans to assist persons actually displaced; and
8. The nature of the proposed activities.

As part of the application submission, Applicants are required to submit the following documentation:

1. A copy of the public hearing notice (i.e., Proof of Publication or Certificate of Posting),
2. Official Meeting Minutes as recorded by the appropriate local official, and
3. Summary of public comments received, where applicable. If no comments received, this should be recorded in the Meeting Minutes.

## **NOTICE OF PUBLIC HEARING ON APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

NOTICE IS HEREBY GIVEN that on [Date] in the [Place] the [Name of the Local Government Unit] will hold a public hearing concerning an application to the Nebraska Department of Economic Development for a Community Development Block Grant. This grant is available to local governments for community/ economic development activities.

The [Name of the Local Government Unit] is requesting [exact amount of funds] for [Detailed project description which must include: all project activities to be undertaken; the requested amount of funds for each activity; the estimate of the total amount of requested CDBG funds which will benefit low- and moderate-income people; the amount and source of local matching funds, if any; and the plans for minimizing displacement of people as a result of CDBG activities and for assisting person actually displaced.]

The grant application will be available for public inspection at [Place]. All interested parties are invited to attend this public hearing at which time you will have an opportunity to be heard regarding the grant application. Written and oral testimony will also be accepted at the public

hearing scheduled for [Time], [Date], [Address, Room Number, etc.]. Written comments addressed to [Contact Person] at [Address] will be accepted if received on or before [Date].

Individuals requiring physical or sensory accommodations including interpreter service, Braille, large print, or recorded materials, please contact [Contact Person] at [Address, Phone Number] no later than [Date]. Accommodations will be made for persons with disabilities and non-English speaking individuals provided that [Number] day notice is received by the [Name of the Local Government Unit].

#### Section 7.00b | Authorizing Resolution – Sample Format

An authorizing resolution is required as part of the application process, the language below is for your use in creating the official resolution for that purpose. Applicants will upload a certified copy of the authorizing resolution.

### **RESOLUTION AUTHORIZING CHIEF ELECTED OFFICIAL TO SIGN AN APPLICATION FOR CDBG FUNDS**

Whereas, the [Name of the Local Government Unit], Nebraska, is an eligible unit of a general local government authorized to file an application under the Housing and Community Development Act of 1974 as amended for Small Cities Community Development Block Grant Program, and,

Whereas, the [Name of the Local Government Unit], Nebraska, has obtained its citizens' comments on community development and housing needs; and has conducted public hearing(s) upon the proposed application and received favorable public comment respecting the application which for an amount of [Specify Amount of Money] for [Description of Project]; and,

NOW, THEREFORE, BE IT RESOLVED BY

[Controlling Government Body] of [Name of the Local Government Unit], that the [Title of Chief Elected Official] be authorized and directed to proceed with the formulation of any and all contracts, documents or other memoranda between [Name of the Local Government Unit] and the Nebraska Department of Economic Development so as to effect acceptance of the grant application.

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Signed

[Title of Chief Elected Official]

Title

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Date

#### Section 7.00c | Application Portal – User Guides and Other Resources

All applicants are required to submit their proposals via the Application Portal. Instructions, user guides, and other resources for the Application Portal, including those specific to the funding opportunity, are available on the Department's website, <https://opportunity.nebraska.gov/amplifund/>.