***ADDENDUM to Pre- Application***

# EMERGENT THREAT (Covid) CATEGORY- EMCV Pre-Application

# Economic Development (Covid) CATEGORY - EDCV Pre-Application

***CDBG COVID File Checklist***

***Local Government/Entity***

***Project name***

***File No.***

***Type*: *CDBG* EM \_\_\_\_\_ or ED\_\_\_\_\_\_ EM=Emergent Threat ED=Economic Development**

***LMC - LMA - LMJ*\_\_\_\_\_\_\_\_\_**

# CDBG COVID – Major ACTION STEPS – Overview/ Timeline

* Early Meeting/Conference - include a DED representative to facilitate review project eligibil
* Submit Pre-Application and Addendum
* Pre-application will be: CDBG-CV Emergent Threat (EMCV) or CDBG-CV Economic Development (EDCV)
  + Project description
  + Discussion - “nexus” of how project will prevent, prepare for, and respond to the next pandemic.
  + Project cost budget
  + Project timeline (including job creation, if applicable)
  + Proposed project funding sources
  + Pre-application will be reviewed by DED for invitation to for a formal application
  + Pre-application to be signed by Chief Elected Official (or Chief Executive Officer)
* COVID project funding must be completed by May 1, 2023
  + DED project (Federal) CDBG Covid funds drawn by this date (in almost all cases)
  + All project costs approved and funded well before the deadline
* Key Dates to Watch for the project proposal (tentative and subject to change):
  + October 17, 2022: CDBG Covid (EM or ED) Pre-applications can be submitted
  + November 15, 2022 (or TBA): Application on grant management system/AmpliFund available
  + November 1, 2022: HUD CDBG Covid funding approval (planned but uncertain)
  + December 1, 2022: (Or sooner) Notice of Approval/Environmental Clearance
  + May 1, 2023: All draws submitted and funded deadline, in most cases.

# Important Notes for applicants:

# Project Pre-Application requires Chief Elected Official signature

# Projects will require a Certified Administrator

# Potential benefitted businesses should first consult a DED Business Consultant and the Development District staff during early planning or review of project for project feasibility

# CDBG COVID – Special Considerations (Unique to CV funding):

* Review existing (DED EMCV or EDCV) projects for extra (Covid) funding needs
* Projects that generally are not likely to meet stringent time funding deadlines:
  + Avoid remodeling projects (but some modifications may be allowed).
  + No new construction, or real estate acquisition or improvements, unless
    - Time constraints can be realistically achieved by deadline
  + Leasehold improvements are generally not allowed.
* If the project is not making progress, DED may modify the agreement end date and terminate the grant.
* CDBG Covid projects are subject to “Duplication of Benefits” (federal) rules and local policy adaption.
* ***Projects must have a*** ***COVID “nexus” to prevent, respond, or prepare for the next (Covid-type) pandemic.***
  + ***Include this explanation in the pre-application project description.***
  + Include history of how Covid pandemic impacted business goods or services.
* All existing CDBG regulations must be followed (see CDBG ED parameters on DED’s website):
  + ED LMJ -- Create at least two (2) new FTE permanent jobs - up to $85,000 per FTE job
    - Annual Wage + Benefits cannot exceed one person household of the HUD 80% median income (and will automatically be considered 51% LMI test as met).
    - Employee certification forms signed by business (job applicant fills out)
    - For goods and services applicants, ***LMA may be allowed in some cases***.
  + EM LMC – Limited to $1,700 per LMI person served and have a national objective
    - The number of LMI persons (calculated from US Census data for the limited clientele type served in the service area – times $1,700 = maximum grant size limit
    - ***LMA or LMJ may be allowed in some cases***.
* Ideal project costs include:
  + Public Service or public facility (sponsored non-profit organization allowed)
  + For-profit business creating jobs and offering (medical-related or food) goods and services
  + Funds for real estate, equipment, working capital (inventory/supplies/payroll/operating expenses)
  + Examples of project that are ideal:
    - Food delivery services, grocery store expansion
    - Medical testing lab, medical clinic modifications
* ***No matching funds required***.
* National Objectives allowed:
  + ***CDBG-EDCV: LMJ or LMA only*** (for-profit business with job creation or goods and services)
  + ***CDBG-EMCV: LMC or LMJ or LMA only*** (low to moderate income clientele)
    - SBA/SBS (slum and blight area/specific area) – not allowed
    - LMH not allowed (no housing)

***Important note -- to clarify timeline deadlines***: CDBG Covid projects are generally executed over a two year timeline (with possible extensions for up to 12 months if needed). *The actual deadline of May 1, 2023 pertains to having expenditures (eligible project costs and drawing federal grant funds) by that time with proper invoices, payroll ledgers, etc., and evidence of payment.* Do not order, spend or hire before a Notice of Approval (in writing from DED), otherwise the expense will not count or be eligible for funding. For example:

* For example, a hiring could take place after May 2, 2023 but done during the two year contract
* Equipment could be ordered, invoiced and pre-paid (by the deadline) and be “back-ordered” or scheduled for delivery during the two year timeframe.
* The business expansion could involve spending before the deadline, but opening the new store or having operational implementation during the two years.

# CDBG Project Documentation Requirements Reminder Checklist

# These Exhibits/Forms must be part of your Project file – before funding the project --

# Will be included in the grant management system (Amplifund uploads)

# Have CV Pre-Application attached (as signed by Chief Elected Official – new form)

# Pre-application for EM or ED are separate forms

# Additional funding for existing CDBG Covid projects will only require the following:

# Pre-application, indicating additional project parameters

# Public hearing which amends first public hearing

# Second public hearing can cover total project

# Contract/Agreements modified

# Budget in AF modified

# Continuing Certification of Environmental Review

# Project file may require some documents to be changed:

# Job Creation E-4 (LMJ) or other National Objective form

# The forms which follow are reminders of regular CDBG document requirements (new only):

* Grantee Information Sheet, noting a *CDBG Certified Administrator is required****.***
* Conduct initial public hearing (with publication proof and minutes) using approved project description
* Exhibit C1: Statement of Assurances and Certification
* Exhibit C2: Citizen Participation Plan
* Exhibit D: Residential Anti-Displacement and Relocation Assistance Plan
* Exhibit E: LMI National Objective
* Exhibit E1: LMI – Area Basis, Census Income Survey Worksheet (PW only)
* Exhibit E2: LMI – Area Basis, Random Sample Worksheet (PW only)
* Exhibit E3: LMI - Limited Clientele Worksheet (PW only)
* Exhibit E4: LMI - Job Creation/Retention Worksheet (*& Employee Certification Forms*) (LMJ only)
* Exhibit K1a: Waiver of Procurement Process and Narrative
* Exhibit K1b: Waiver of Procurement (Development Districts)
* Exhibit K2: Procurement Process Completed (narrative)
* Exhibit L: Federal Funding Accountability and Transparency Act (FFATA) Form
* Exhibit M: Map of Proposed Project Area
* Exhibit N: System for Award Management (SAM) (and excluded parties documentation)
* Exhibit O1: Four Factor Analysis Assessing Limited English Proficiency
* Exhibit O2: Language Access Plan (if triggered, and project specific)
* Exhibit P: Owner Occupied Rehabilitation Program Guidelines/Reuse Plan (Housing only)
* Exhibit Q: Local Cost Share (Funding Commitments; match funds not required)
* Excessive Force Certification (form)
* Procurement Procedures and Code of Conduct (form), including other documentation (if applicable)
  + Professional Services Agreements (for the above) (signed after Notice of Approval).
* Project Implementation Schedule – (*Project Activities and Milestones to fit timeline by next May 2023*)

# These Exhibits must be part of your completed Project file:

* Review *Chapter 5* – *CDBG Contract* – which explains local government responsibilities, noting:
  + The Notice of Approval letter may include project ERR clearance.
  + Failure to properly document your project file may have repayment consequences.
  + Copy or keep all project file documents in one file, ready to be examined or audited.
  + The local government sponsors the project and maintains a complete documentation file.
* Financial Management Certification form (*with documented expenditures per 2 CFR 200*), noting:
  + “Forced labor” or local government staff costs documented in payroll ledgers.
  + *No* “choice-limiting actions” -- *dated before Notice of Approval / ERR Clearance*.
    - Invoices/POs/hiring/contracting dated earlier will be ineligible
  + Maintain Ledger, supporting documents -- invoices (POs), evidence of payment, contracts, & billings.
* Second Public Hearing (publication proof and minutes) - conduct during implementation/near project end.
* Documentation *demonstrating actions taken* that are Affirmatively Furthering Fair Housing
  + Special Conditions require ten-year history of Fair Housing actions and proposed actions during project
* Section 504 Transition Plan

# These Exhibits/Steps pertain only to Economic Development (LMJ) project documentation:

* Final Job Creation/Retention Report required.
* Employee Certification forms
* Business analysis (underwriting) documentation, which may include:
  + Business Application and related financial documents
  + Memorandum of Understanding (MOU)
  + Certificate of Good Standing (Nebraska Secretary of State)
  + SAM registration for businesses (if not sole-proprietorships)
  + Business plan
  + Resumes of key business personnel
  + Business financials: balance sheet, income and cash flow statements (2 year -- historical and pro-forma)
  + Guarantors' financial statements and two years of tax returns
  + Project cost documentation, including vendor or engineering estimates - equipment purchase quotes.
  + Borrowing resolution authorizing business representative to borrow or contract for CDBG funds.
  + Security or collateral documentation, which may include:
    - Inter-creditor Agreement
    - Deed of Trust
    - Promissory Note (Business)
    - Security Agreement
    - UCC Filing
    - Guarantor Agreement