

TABLE OF CONTENTS

<u>Item</u>	<u>Page No.</u>
INTRODUCTION	4
Overview and History of Community Development Block Grant Program (CDBG).....	4
Definitions.....	5
Recent Updates	9
Important Reminders	12
PART I: GENERAL INFORMATION	14
Eligible Program Applicants	14
Ineligible Program Applicants.....	14
Eligibility Requirements.....	14
Restrictions on Eligibility for Competition	15
Special Requirements.....	17
Joint Applications	17
Regional Applications.....	17
CHIP Applications	17
Eligible CDBG Activities.....	18
National Objective—Low-and Moderate-Income Benefit	18
Definition of Low- and Moderate- Income	18
Examples of eligible activities.....	19
Ineligible Activities	21
Examples of ineligible activities	21
Basic Compliance Rules for CDBG.....	22
Citizen Participation Requirements.....	22
Sample Public Hearing Notice.....	24
Residential Anti-displacement and Relocation Assistance Plan.....	24
Programmatic Agreement on Historic Preservation	24
Acquisition of Property for Public Facility Projects.....	25
Note on Eminent Domain	25
Environmental Compliance.....	25
Lead-based Based Paint Poisoning Prevention in Certain Residential Structures	27
Relocation Assistance	27
One-for-One Replacement of Demolished Housing Units.....	27
Federal Labor Standards (Davis-Bacon, etc).....	27

PART II: GENERAL AWARD INFORMATION AND REQUIREMENTS.....	28
Pre-Agreement Cost Approval (PACA)	28
FY 2012 CDBG Available Funds.....	28
Types of Grants	28
Maximum CDBG Grant Amounts	29
Matching Requirements	29
Limitation on Administration and Professional Fees.....	29
Project Delivery Costs.....	30
Procurement for Application Development and other Professional Services	31
Application Submission Deadlines	33
Application Review Process.....	33
Overview of Rating and Selection System.....	33
Rating Factors.....	34
Demographics	34
Feasibility	34
Strategy.....	35
Impact	36
Leverage	36
Revitalization Area Strategy Bonus Points.....	38
Bonus Points for Readiness to Proceed	39
Final Ranking	40
Disposition of Applications.....	40
Pre-funding Site Visits	41
Technical Assistance Policy	41
Contents of Preliminary Engineering Reports.....	41
Contents of Preliminary Architectural Reports	42
Part III: Making Your Application More Competitive.....	43
Feasibility (110 points maximum):.....	43
Strategy (110 points maximum):	44
Impact (110 points maximum):.....	45
Additional Competitiveness Guidance.....	46
Part IV: INSTRUCTIONS FOR COMPLETING APPLICATION FORMS.....	47
Form DCA-1: Application Summary	47
Form DCA-2: Proposed Accomplishments.....	48
Form DCA-3: Community-wide Needs Assessment.....	48
Form DCA-4: Description of Needs to be Addressed	49

Form DCA-5: Description of Activities 49

Form DCA-6: Low/Moderate Income Benefit and Civil Rights Data Calculation 51

Form DCA-7: Budget Summary 53

Form DCA-8: Budget Analysis 54

Form DCA-9: Environmental Review Checklist 56

Form DCA-10: Certified Assurances 57

Form DCA-11: Cooperating Agreement 57

Form DCA-12: Maps 57

Form DCA-13: CDBG Disclosure Report 58

PART V: APPLICATION FORMS 59

Note on Activity Numbering System 60

DCA Forms 1-13

PART VI: APPENDICES (have their own page numbers)

Appendix A - Eligible Activities Excerpt from Title I of the HCD Act

Appendix B - Low- and Moderate-Income Limits

Appendix C - Guide to Acceptable Survey Methodology and Sample Survey Form

Appendix D - HUD National Objectives

Appendix E - Supplemental Information and Documentation

Appendix F - CDBG Conflict of Interest Regulations and Guidance

Appendix G - List of Major Applicable Federal Laws

Appendix H - Financial Plan Form (Housing Only)

Appendix I - Programmatic Agreement on Historic Preservation

Appendix J - DCA Policy on Adjustable Rate Mortgages

Appendix K - Sample Floodplain Notices, 404 Permit Information, Request for Determination of Jurisdictional Wetlands

Appendix L – HUD Notice: Using CDBG to Address Homelessness

Appendix M – HUD Notice: Fair Housing Agencies Eligible for CDBG Funding

Appendix N – HUD Notice: Affirmatively Furthering Fair Housing in the CDBG Program

Appendix O – DCA Notice to the Field: Clarifications for the Annual Competition and Ineligible Procurement Practices

Appendix P – Section 3 Requirements and Guidelines for Implementation

INTRODUCTION

This Applicants' Manual represents one of the key elements by which the Department addresses its administrative responsibilities for the Community Development Block Grant (CDBG) Program. Every effort has been made to balance the need for sufficient information upon which to make rational decisions between competing proposals and to ensure compliance with Federal law with the desire to eliminate all unnecessary paperwork and reduce the administrative burden on local governments.

It is essential that applicants prepare application documents in accordance with the instructions contained herein and as outlined at the Applicants' Workshop sessions. Applications should be clear, thorough and sufficiently detailed to provide all information required. **This is the responsibility of the applicant whether the applicant prepares the application or whether the application is prepared by a representative, agent or designee.**

During the FFY 2012 program year, the Georgia CDBG program is divided into four separate components: (1) The Annual Competition, (2) The Immediate Threat and Danger Grant Program (IT&D), (3) The Employment Incentive Program (EIP) and (4) The Redevelopment Fund.

This Applicants' Manual addresses only the CDBG Annual Competition. Applicants' Manuals for the IT&D, EIP and Redevelopment Fund can be downloaded from the Department of Community Affairs' (DCA's) web site at <http://www.dca.ga.gov/>.

Overview and History of Community Development Block Grant Program (CDBG)

The origins of the CDBG Program can be traced to our nation's recognition of widespread poverty in inner city areas, the urban disorders of the 1960s and the deterioration of the urban infrastructure. During the 1960s, many programs were enacted by the federal government to address these problems through the creation of what are now called "categorical programs," each addressing a specific problem recognized by Congress. Programs such as the Urban Recreation and Parks Program, "slum and blight clearance" programs and other categorical programs were enacted and funded. Each required a separate application by interested city or county governments.

During the first half of the 1970s, the federal government recognized that it would be more effective to enact broad "block grant" programs to replace many of the separate categorical programs. These new block grants allowed local governments wider latitude to design programs more in tune with their locally identified needs and priorities. During this period, Congress expanded appropriations for block grant programs and determined which communities would be entitled to receive these funds (as opposed to requiring separate applications from interested local governments).

The Community Development Block Grant (CDBG) was first enacted by Congress as Title I of the Housing and Community Development Act of 1974. The CDBG program replaced a number of federal categorical programs.

The primary objective of CDBG as stated in the Act, is "the development of viable communities through improvement of living conditions, housing and the expansion of economic opportunities in cities and counties, principally for persons of low- and moderate-income."

Initially only larger urban governments were entitled to receive CDBG funds. At the federal level, the U.S. Department of Housing and Urban Development (HUD) administered the program and enacted

regulations to allow local governments to implement a broad range of eligible activities as long as they furthered the National Objectives of the Act.

During the 1970s, Congress expanded the range of local governments receiving CDBG funds to address problems faced by smaller cities and rural communities by providing funding to HUD to create a new competitive “Small Cities” Program. This program became known as the HUD administered “Small Cities CDBG Program for Non-Entitlement Cities.” Eligible governments were those under 50,000 in population. It was called a “non-entitlement program” because communities interested in receiving funds made a competitive application to HUD rather than being entitled to receive direct funding as were the larger urban governments. Otherwise HUD operated the Small Cities Program in a manner very similar to the larger Entitlement CDBG Program.

During the early 1980s, the federal government passed sweeping changes to “devolve” many federal programs by limiting federal agencies to oversight and rule making roles and allowing state governments a role in administering many formally exclusively federal programs. For example, state agencies responsible for environmental protection (such as the Georgia Department of Natural Resources, Environmental Protection Division) assumed many of the responsibilities of the U.S. Environmental Protection Agency (EPA).

In 1981, acting at the request of President Reagan, Congress amended the Housing and Community Development Act of 1974 and directed HUD to establish a new CDBG Program for Non-Entitlement local governments to be administered by state governments, replacing the HUD Small Cities Program. Under the changes implemented in 1981, while states were allowed to administer the non-entitlement program, HUD was given continued responsibility to directly administer the urban-entitlement program and regulate state administration of the non-entitlement CDBG program.

In enacting this new program, Congress clearly desired that state governments have the major responsibility for the design and management of the new CDBG Program for Non-Entitlement Communities. In this regard, the first federal regulation issued by HUD in 1982 for the new program was developed only after extensive consultation with state governments and it allowed states great flexibility in program design and management. To quote the regulation (24 CFR Part 570.480(c)), “the Secretary (of HUD) will give maximum feasible deference to the state's interpretation of the statutory requirements and the requirements of this regulation.”

At the time of the new regulation, DCA was given the responsibility of design and management of the new CDBG Non-Entitlement Program. Utilizing an extensive consultation and advisory process with Georgia's non-entitlement local governments, DCA designed a competitive CDBG Program responsive to local needs and priorities. The consultation and advisory process continues through annual public input hearings and DCA “listening sessions” with affected local governments, their staff, Regional Commissions (RCs), and consultants.

Each year the State of Georgia receives CDBG funds from the U.S. Department of Housing and Urban Development (HUD) for a variety of housing, public facility, and economic development programs which are included in the State's Annual Consolidated Plan. The CDBG Annual Competition described by this Applicants' Manual describes the competitive rating and review process that will be used to distribute FFY 2012 Annual Competition CDBG funds.

Definitions

CDBG has a language all its own at times. This list of definitions is intended to assist applicants in understanding and using the terminology.

Area Benefit Projects: An activity, the benefits of which are available to all the residents in a particular area, where at least 70 percent of the residents are low- and moderate-income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. Units of general local government may, at the discretion of the state, use either HUD-provided data comparing census data with appropriate low- and moderate-income levels or survey data that is methodologically sound. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion. The web site for the HUD-provided data is <http://www.hud.gov/offices/cpd/systems/census/ga/index.cfm>.

Certified assurance: The document that all CDBG local government applicants must sign (See DCA Form 10). It contains many “certifications” required by federal law and should be read and must be signed by the Chief Elected Official of the applicant. In addition, the signature must be authorized by a resolution of the governing body (i.e., city council, etc.) and submitted with the application.

CDBG: The Community Development Block Grant Program as authorized by the Housing and Community Development Act of 1974. CDBG is divided into two general programs: 1) the “entitlement program” administered by HUD provides funding to metropolitan cities and urban counties; and 2) the State “non-entitlement” program for smaller local governments.

CDFD: Community Development and Finance Division of the Georgia Department of Community Affairs. The division of DCA where the CDBG program is housed.

CHIP: Community HOME Investment Program. Created by the National Affordable Housing Act of 1990, the Home Investment Partnerships (HOME) Program is the first federally funded block grant designed to address state and local affordable housing concerns. The CHIP program is administered by DCA’s Housing Finance Division..

Conflict of interest: Elected officials, government employees, and their families are generally prohibited from benefiting either financially or personally from CDBG funded activities. An example would be if a councilmember lived in the neighborhood receiving CDBG funded waterlines. See the Conflict of Interest and Certification sections of this manual for more information.

Consolidated Plan: Developed by local and state governments with input from citizens and community groups, the Consolidated Plan serves four functions: 1) it is a planning document for each state and community, built upon public participation and input; 2) it is the application for funds under HUD’s formula grant programs (CDBG, HOME, ESG, and HOPWA); 3) it lays out local priorities; and 4) it lays out a 3-5 year strategy the jurisdiction will follow in implementing HUD programs. The FY 2012 Plan is available on the DCA web site at: <http://www.dca.ga.gov/>.

Cooperating agreement: This is the agreement needed for joint or regional CDBG applications (see DCA Form 11). It sets forth which applicant is considered the “lead applicant” responsible for all compliance considerations.

The Davis-Bacon Act of 1931: Statutory requirement that persons working on Federally-supported projects be paid minimum prevailing wage rates for particular crafts or labor classifications as prescribed by the Secretary of Labor. For purposes of the State Administered CDBG Program, all contracts are subject to the Act and must be monitored by DCA for compliance.

Environmental Impact Assessment: As required by the National Environmental Policy Act of 1969, and for purposes of the State CDBG Program, a document prepared by a recipient government which identifies and analyzes environmental impacts of a proposed project. CDBG projects started before completion of the assessment and requisite findings and public notices are NOT eligible for CDBG

funding. The federal government requires DCA to monitor each individual project for compliance. (See NEPA.)

Equal Employment Opportunity (EEO): Term which refers to a variety of federally required activities to ensure non-discrimination in hiring, promoting, and managing employees. DCA is required to monitor each CDBG recipient's compliance with EEO requirements.

Faith-Based Initiatives: A federal initiative to level the playing field for faith-based organizations when attempting to access federal grant funds. Faith-based organizations, although ineligible for direct CDBG assistance, may partner with local governments to assist low- and moderate-income persons using eligible CDBG activities. Please see further information at: <http://www.hud.gov/offices/fbci/>.

Fair Housing Act: Legislation first enacted in 1968 and expanded by amendments in 1974 and 1988, which provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, and familial status. DCA is required to monitor each CDBG recipient's compliance with applicable requirements.

Finding of No Significant Impact (FONSI): Pursuant to NEPA, a document presenting the findings of an Environmental Assessment stating that a proposed project will not result in an action which will significantly affect the quality of human life. See 24 CFR Part 58, Directive Number: 97-8.

Uniform Act or URA: Short title of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. This law and its regulations issued by U.S. DOT (49 CFR Part 24) set requirements for how property, including easements, is acquired for federally assisted projects and sets forth minimum standards for assistance for persons and businesses displaced by federally assisted projects. See also "Barney Frank" amendments. DCA is required to monitor each CDBG recipient's compliance with applicable requirements.

HOME: Federal funds authorized pursuant to the Housing and Community Development Act that provides funds to local governments and states for new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers, and tenant-based rental assistance.

HUD: United States Department of Housing and Urban Development. The Federal agency responsible for oversight and regulation of CDBG funding to states.

Joint application: A joint application includes more than one local government as applicant. Joint applications are generally required when less than 51% of the beneficiaries are located within the jurisdiction of the applicant unit of local government. Exceptions may be considered on a case-by-case basis with DCA approval.

Last Resort Housing: One of the few ways that CDBG can be used for new housing construction. Used in CDBG when no existing relocation housing resources are available for displaced persons. See 49 CFR Part 24.404.

Limited clientele: As the name implies, limited clientele are those people that benefit from specific services usually delivered at a particular location. For example, people that receive health services at a county health department are the "limited clientele" of that health department. HUD has determined that for purposes of meeting the CDBG national objective of benefiting low- and moderate-income persons, certain limited clientele can be assumed to be low- and moderate-income without detailed income records. This designation is limited to people qualified to attend facilities constructed with CDBG funds that serve abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate

adults, persons living with AIDS, and migrant farm workers. Income records must be available for all other limited clientele beneficiaries, such as clients of Public Health facilities, Boys and Girls Clubs, etc., and those income records must demonstrate that at least 70 percent of the limited clientele are low-to moderate-income people.

Liquidated Damages: Liquidated damages refers to contract provisions that require the payment of a fixed sum, usually accruing on a daily basis, when certain time-related provisions of the contract are not met. In CDBG contracts, liquidated damages are assessed due to non-completion of a construction project in the time period specified in the contract in the absence of excusable delays. DCA encourages the use of liquidated damages in CDBG-funded construction contracts to encourage timely performance. ***Proceeds from liquidated damages are considered program income.***

Low- and Moderate-Income (also L/M income or LMI): At least 70 percent of the persons benefiting from CDBG projects, (with some exceptions) must be members of a family or household whose total gross family income is less than 80 percent of an area's median family income adjusted for family size. HUD publishes these limits on an annual basis and the most recent limits are available on the DCA web site at: <http://www.huduser.org/portal/datasets/il/il10/index.html>. See also Appendix B. **Note that housing activities must benefit 100 percent low- and moderate-income persons.**

Manufactured "Mobile" Home: A manufactured home (formerly known as a mobile home) is built to the Manufactured Home Construction and Safety Standards (HUD Code) and displays a red certification label on the exterior of each transportable section. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis.

Method of Distribution: This is a description of the rating and ranking criteria for all CDBG Programs. Please refer to the section of this manual entitled Application Review Process. Section 104 of the Housing and Community Development Act of 1974, as amended, requires States to have a method of distribution for allocation of funds to units of general local government.

Modular Home: A housing unit constructed off-site in pieces (modules) using traditional building materials that meets or exceeds all applicable State and local building codes, then transported to the building site where the modules are joined to form a complete housing unit on a slab or foundation. A modular home is generally considered "real property".

National Objective: The Housing and Community Development Act of 1974, as amended, sets forth three general National Objectives. Every CDBG award must address at least one of the following objectives through the activities undertaken by the project: 1) benefiting low- and moderate-income persons; 2) preventing or eliminating slums or blight; and 3) meeting urgent needs

NEPA: National Environmental Policy Act. NEPA mandates a framework and procedures that Federal agencies (including States and local governments that receive CDBG) must implement to consider all reasonably foreseeable environmental effects of their proposed actions and to involve the public in and inform the public about these environmental effects. Under the State CDBG Program, for ANY project where a local government fails to properly implement the NEPA procedures prior to undertaking a CDBG project, DCA is generally mandated to find that project "ineligible" for reimbursement with CDBG funds.

Pre-Agreement Cost Approval (PACA): CDBG regulations and DCA policy allow potential applicants to request "pre-agreement cost approval" (PACA) from DCA that authorizes the potential applicant to commence project activities and maintain project timetables while applying for CDBG assistance. Upon DCA's issuance of pre-agreement cost approval, a project may move forward prior to submission of an application or award of funds while maintaining eligibility. See the section of this manual entitled Pre-

Agreement Cost Approval (PACA) for further details.

QLG: Qualified Local Government means a county or municipality which: 1) has a comprehensive plan in conformity with required minimum standards and procedures; 2) has established regulations consistent with its comprehensive plan and with the required minimum standards and procedures; and 3) has not failed to participate in DCA's mediation or other means of resolving conflicts in a manner which, in the judgment of DCA, reflects a good faith effort to resolve any conflict. Also, generally, those local governments that have complied with all necessary requirements to maintain eligibility for state funding, including the Georgia Planning Act, the Service Delivery Strategy Act (HB 489), the Solid Waste Management Act, the Local Government Audit Act, and the DCA Local Government Finance Report requirements. See DCA's web site at <http://www.georgiaplanning.com/planners/planreview/> for further information and for the Qualified Local Government status of Georgia's cities and counties.

RC: Regional Commissions. Located in 12 regions across Georgia, these centers provide planning, grant writing and economic development assistance to local governments, usually under contract.

Regional application: An application that includes applicants in *more than one county*, including city and county applicants. Regional applications apply to projects benefiting a multi-county region.

Section 104(d): Refers to Section 104(d) of the Housing and Community Development Act of 1974. See 24 CFR Part 42. Requires the replacement of demolished, vacant-occupiable, and occupied low- and moderate-income housing (one-for-one replacement) as well as a higher level of relocation assistance payments for displaced low- and moderate-income tenants.

Section 3: This provision of the 1976 HUD law that requires CDBG recipients to make a "good faith effort" to employ lower income residents of "project areas" and to direct business opportunities to such owners for businesses.

Section 8: Housing Assistance Payments Program, authorized by the Housing and Community Development Act of 1974.

Section 106: Section 106 of the National Historic Preservation Act that requires CDBG recipients and other federal programs to consider the possible effects of 'federal programs' on historic buildings and neighborhoods, including archeological resources. Regulations implementing Section 106 are issued by the Advisory Council on Historic Preservation, and, in Georgia, the Department of Natural Resources, Historic Preservation Division (DNR/HPD) is the designated State Historic Preservation Office (SHPO).

Section 504: A provision of the 1976 HUD law that requires facilities and programs receiving HUD assistance to be accessible to persons with a disability.

Stick/Site Built Home: A housing unit built on-site using traditional building materials and methods that meet or exceed all applicable State and local building codes.

Tiered Environmental Review: CDBG environmental review procedure when sites are not designated at the applicant stage.

Recent Updates

Applicants are responsible for understanding the contents of the entire manual. In this section, DCA has summarized recent updates and important changes for FY 2012. Other more minor changes for FY 2012 may not be highlighted here. Also, read the forms and the instructions for the forms in their entirety. Additional important information may be included in these as well.

Timeliness Criteria for the 2012 Annual Competition Cycle: These criteria replace the 80/20 rule that has been used during previous competitions to evaluate progress on previously funded CDBG grants. DCA will review these criteria during the later stages of application review (usually around August 1st) to determine the eligibility of communities that have submitted a 2012 Annual Competition application and also have open CDBG grants.

- ◆ For Annual Competition applications funded in 2011, the following criteria should be met:
 - ◆ Must meet one of the exceptions to the “every other year” rule as outlined under *Restrictions on Eligibility for Competition* below.
 - ◆ All Special Conditions should be cleared.
 - ◆ DCA should have released funds.
 - ◆ For public facility, multi-activity, or economic development projects, all engineering design work must be finalized, complete and submitted to the cognizant agency for review.
 - ◆ For housing or multi-activity projects, the local policies and procedures must have been submitted to DCA for review.

- ◆ For Annual Competition applications funded in 2010, the following criteria should be met:
 - ◆ Fifty percent of budgeted funds should be drawn down and spent.

- ◆ For Annual Competition applications funded in 2009 or earlier, the following criteria should be met:
 - ◆ One hundred percent of budgeted funds should be drawn down and spent.

Administration Allowed as Cash Match. DCA will allow reasonable percentages and dollar amounts for general administration to be counted as cash match under the FY 2012 Annual Competition. Also, reasonable percentages and dollar amounts may be used for general administration and counted as leverage over and above any required cash match.

Appendix O – DCA Notice to the Field: Clarifications for the Annual Competition and Ineligible Procurement Practices. Although not new for FY 2012 funds, applicants need to peruse the appendix, especially if preparing water or sewer applications. This appendix makes clear that applicants, especially water and sewer applicants or other applicants that are proposing activities that will generate operating revenue, must thoroughly discuss **financial alternatives** to CDBG funding. For example, applicants should discuss their ability/lack of ability to borrow funds for the project from other sources, the impact of borrowing funds on local government finances and *especially* on low- and moderate-income households. DCA generally uses the standard that water charges over 1.25% of median household income and sewer charges over 1.25% of median household income begins to place a financial burden on households-- especially on low- and moderate-income households. Applicants should also bear in mind that local government participation in the Georgia Environmental Facilities Authority (GEFA) water and sewer rate survey is critical in allowing DCA to evaluate proposed financial alternatives. The results of recent GEFA surveys may be viewed at the following link: <http://www.efc.unc.edu/RatesDashboards/ga.htm>. Also, applicants should bear in mind that DCA review panels have access to this survey information and to online audits of local governments during the review process.

Appendix P – Section 3 Requirements and Guidelines for Implementation. Applicants need to read and understand this appendix in order to be able to discuss these requirements on DCA 5. Note that “first source” hiring agreement will be emphasized as a good way to implement Section 3 requirements.

Drainage Standards. DOT standards identify a 25-year flood design standard for local road drainage improvements. Standards greater than 25 years must be explained and justified in the CDBG application.

RAS Deadlines. For FY 2012 funds, all RAS applications, annual updates, or renewals must be submitted in full no later than April 2, 2012 in order for RAS benefits to be applicable to the 2012 Annual Competition, including but not limited to the ability to apply for CDBG funds in RAS areas every year and bonus points.

Read. Applicants are responsible for understanding the contents of the entire manual. In this section, DCA has summarized important changes for FY 2012. Other more minor changes for FY 2012 may not be highlighted here. Also, read the forms and the instructions for the forms in their entirety. Additional important information may be included in these as well.

Section 3. Applicants applying for FY 2012 funds should discuss plans for implementing Section 3 requirements along with other applicable laws and regulations (e.g., the Uniform Act) that may affect program implementation or administration. This should be discussed on DCA 5 and demonstrate an understanding of Section 3 in accordance with the material provided in Appendix P. A brief, thorough description of plans for implementing Section 3 requirements will enhance an applicant's chances of receiving the maximum score on Feasibility.

Sole Source Approvals. For procurement processes that result in requests for sole source approval from DCA, the procurement process must be fully documented to DCA's satisfaction before DCA will grant approval, including but not limited to the following: 1) a description of the procurement process; 2) a tear sheet of the Request for Proposals; 3) a list of the active, qualified consultants or engineers/architects that were mailed the Request for Proposals; and 4) certified return receipt documentation that the Request for Proposals was mailed to the required number of active, qualified consultants or engineers/architects, or adequate email documentation that the Request for Proposals was delivered as required.

Water and Sewer Hookups. HUD has made clear that water and sewer hookups on private property cannot be paid for with CDBG funds unless the household served is low- to moderate-income. Therefore, DCA requires adherence to the following policies regarding water and sewer hookups:

- In accordance with HUD requirements, DCA will not allow CDBG funds to be used on private property unless the household served is low- to moderate-income.
- For FY 2012 applications, applicants should discuss how water and sewer hookups, water and sewer service line replacements, and septic tank closures will be paid for in order to increase the likelihood of a maximum score on Feasibility. **Note** that water and sewer laterals from the street to the private property line are eligible CDBG expenses regardless of income.
- For FY 2012 applications, applicants should indicate that all target area households will be connected to the CDBG-proposed improvements (and all septic tanks properly closed, if applicable) in order to increase the likelihood of a maximum score on Feasibility.
- DCA will accept as documentation of low- and moderate-income status areas surveys that are three years old or less. Applicants may require additional documentation of low- and moderate-income status at the time of project implementation if so desired.
- Applicants may decide whether to use their own funds to pay for non-low- and moderate-income hookups or to require property owners to pay for non-low- and moderate-income hookups.
- **Note that if local funds are used to pay for non-low- and moderate-income hookups, these funds, if properly documented and committed, will be counted as match or leverage.** Local governments opting to pay for non-low- and moderate-income hookups may wish to check with their local attorney prior to proceeding.

Important Reminders

A Note on CDBG Flexibility. CDBG has always been a flexible program allowing local governments to choose among a variety of activities in order to address local priorities and needs. DCA encourages the full use of this flexibility by allowing applicants to apply for the full range of eligible CDBG activities under the Annual Competition. This includes economic development projects. Although meeting the low- and moderate-income national objective has been the primary focus of most communities under the Annual Competition, applicants may also pursue the removal of slum and blight objective as well. The removal of slum and blight objective is best pursued through projects that deliver significant low- and moderate-income benefit. Note that regardless of the national objective or activities chosen by the applicant, the application must compete against other applications with similar activities and objectives.

Census Tract and Census Block Information. Applicants must provide Census Tract and Census Block Group information for CDBG activities on DCA-1. This requirement has been added because HUD is now requiring this information in order to be able to show graphically where CDBG activities are taking place around the country. DCA requires Census Tract information for all geographic areas included within the target area. Block Group information is required specifically where a target area includes only some of the Block Groups within a Census Tract. See the directions for DCA-1 for further information. Applicants may look up addresses' census tract, block group, and block numbers at <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

Emphasis on Quality Infill Housing. Many housing or multi-activity CDBG applications propose reconstructions of dilapidated houses. Replacing these dilapidated units with standard housing greatly benefits the affected households. Replacing these dilapidated units with standard housing that also enhances the neighborhood creates lasting value for the household and the community.

Engineering and Architectural Reports. Preliminary Engineering Reports (PERs) and Preliminary Architectural Reports (PARs) are often the heart of many CDBG applications. Please remember to review carefully the section of the manual entitled *Making Your Application More Competitive*. Note that many street and drainage PERs are still not including preliminary hydrologic and hydraulic *calculations*. These calculations are critical for DCA's review of these projects. The calculations assist in determining the need for improvements and the appropriateness of the proposed solutions to those needs. Scores may be reduced if preliminary calculations are not provided. Some PARs are not including existing floor plans with overall and room-by-room dimensions along with current use by room. Scores may be reduced if this information is not provided.

Guidance for Preparation of Preliminary Architectural and Engineering Reports. Because the quality of Preliminary Engineering Reports and Preliminary Architectural Reports vary by applicant, DCA has provided detailed guidance concerning what should be included in these reports.

Maps. In order for review panels to assess feasibility, strategy and compliance with floodplain and wetland requirements, applicants are encouraged to submit with their applications USGS topographic maps from the 7.5 minute, 1:24,000-scale quadrangle series. For additional information, the following web site may be helpful: <http://msrmaps.com/Default.aspx>. **Submitting USGS maps with an application does not relieve the applicant from meeting all map requirements listed in DCA-12. All applications must include maps that meet the requirements of DCA-12. Some applicants last year did not submit all required maps per DCA-12. Omission of required maps could result in reduced scores. Please read DCA-12 carefully for complete instructions.**

Photographs. All sets of photographs provided with the original and copies of each application should be in color, dated, and keyed to a map clearly showing views of the entire target area, its overall land use, and areas and properties of particular concern. Just as surveys must be representative of the target area, photographs must be also. Photos should be numbered, dated and keyed to a street map.

Pre-Agreement Cost Approval (PACA). Because projects often run on schedules that are time-sensitive, CDBG regulations and DCA policy allow potential applicants to request pre-agreement cost approval (PACA) from DCA that authorizes the potential applicant to commence project activities and maintain project timetables while applying for CDBG assistance. Upon DCA's issuance of pre-agreement cost approval, a project may move forward prior to submission of an application or award of funds while maintaining the eligibility of the activities that take place prior to submission of an application and receipt of a grant award.

DCA strongly recommends that potential applicants contact DCA (through its Office of Community Development in Atlanta) to discuss pre-agreement cost approval prior to submission of a written request for pre-agreement cost approval. See the section of this manual entitled Pre-Agreement Cost Approval for further information.

IN NO EVENT WILL PRE-AGREEMENT COST APPROVALS ISSUED BY DCA ENSURE DCA FUNDING FOR THE REQUESTED PROJECTS. THE DCA ANNUAL COMPETITION IS VERY COMPETITIVE AND PRE-AGREEMENT COST APPROVAL DOES NOT IN ANY WAY INCREASE AN APPLICANT'S COMPETITIVENESS. ALL COSTS INCURRED BY APPLICANTS PRIOR TO THE CDBG AWARD DATE ARE AT THE APPLICANTS' OWN RISK. HISTORICALLY, ONE-HALF TO TWO-THIRDS OF CDBG APPLICANTS ARE NOT AWARDED FUNDS.

Procurement by RCs. RCs that wish to subcontract directly with private consultants must use the appropriate procurement procedures outlined in this manual and follow the requirements of 24 CFR Part 85 before entering into subcontracts with private consultants. Alternately, the local government may contract with both an RC and private consultant provided the requirements herein are followed for the procurement of the private consultant.

Timeliness Requirements. All CDBG recipients are expected to expend one hundred percent (100%) of all funds within **twenty-four (24) months from the date of the grant award** made by DCA. The Department of Community Affairs reserves the right to recapture all unobligated funds after the twenty-four month period *and to restrict an applicant from submitting a CDBG application (or if submitted, DCA may not make an award) whenever an unacceptable level of funding under a current grant remains unspent or unobligated.* DCA will review previous grantee progress during the rating and ranking period. (See Timeliness Criteria under the section on Recent Updates and Restrictions on Eligibility for Competition.) Consult with DCA prior to application submission if the applicant anticipates that the above criterion will not be met during the rating and ranking period.

Technical Assistance and Other DCA Rulings Regarding Application Preparation and Submission. DCA encourages applicants to contact staff for technical assistance in the preparation of their applications. DCA staff will do its best to respond in a timely manner to these requests. We encourage applicants to seek advice from various DCA staff resources as well as RCs, private consultants and engineers and architects when preparing applications. If a question is critical to the eligibility or competitiveness of an application and this manual does not clearly provide an answer to the question, please contact DCA in writing before the application deadline for a response.

For Questions About: Departmental Policy	Contact: Brian Williamson, Assistant Commissioner for Community Development	Phone: 404-679-1587
CDBG Annual Competition Applications	Steed Robinson, Director of Community Development	404-679-3168
	Rick Huber, Compliance Manager	404-679-3174
	Glenn Misner, Director of Field Services	404-679-3138
Neighborhood Revitalization Applications	Tom Spinks, Housing Consultant	404-679-3128
Economic Development Applications	Joanie Perry, Director of Economic Development	404-679-3173
	Glenn Misner, Director of Field Services	404-679-3138

PART I: GENERAL INFORMATION

Eligible Program Applicants

- ◆ Units of general-purpose local government (cities or counties) that do not participate in HUD's CDBG Entitlement or Urban County program.

Ineligible Program Applicants

Note that the entities below receive their CDBG funding directly from HUD. Also note that the list below is based on the federal fiscal year 2010 funding for HUD. Because the federal fiscal year 2012 funding for HUD has not been established, this list is subject to revision.

- ◆ The cities of Acworth, Albany, Alpharetta, Atlanta, Auburn, Austell, Ball Ground, Berkeley Lake, Brunswick, Buford, Canton, Chamblee, Chattahoochee Hill, Clarkston, College Park, Dacula, Dalton, Decatur, Doraville, Duluth, East Point, Fairburn, Forest Park, Gainesville, Grayson, Hapeville, Hinesville, Holly Springs, Johns Creek, Jonesboro, Kennesaw, Lake City, Lawrenceville, Lilburn, Lithonia, Loganville, Lovejoy, Macon, Marietta, Milton, Mountain Park, Norcross, Palmetto, Pine Lake, Powder Springs, Rest Haven, Riverdale, Rome, Roswell, Sandy Springs, Savannah, Smyrna, Snellville, Stone Mountain, Sugar Hill, Suwanee, Union City, Valdosta, Waleska, Warner Robins, Woodstock.
- ◆ The consolidated governments of Athens/Clarke County Consolidated Government, Augusta/Richmond County Consolidated Government, Columbus Consolidated Government
- ◆ Cherokee County, Clayton County, Cobb County, DeKalb County, Fulton County and Gwinnett County
- ◆ Any incorporated city within a HUD Entitlement Urban County that has chosen to participate with the Urban County through a Cooperating Agreement.

Eligibility Requirements

- ◆ Applications may be submitted individually by one unit of general-purpose local government, or jointly or regionally, by two (2) or more units of general-purpose local government.

- ◆ Only one single or multi-activity application per general-purpose local government, whether individually, jointly, or regionally submitted, shall be eligible for the Annual Competition per CDBG federal funding allocation.
- ◆ Only one single or multi-activity award under the Annual Competition per CDBG federal funding allocation may be received by any general-purpose local government, whether individually, jointly, or regionally submitted.

Under State statutes, applicants must comply with State planning and financial reporting laws. These laws include:

- ◆ The Georgia Planning Act,
- ◆ The Service Delivery Strategy Act (HB 489),
- ◆ The Solid Waste Management Act,
- ◆ DCA Local Government Finance Report requirements, and
- ◆ Local Government Audit Act.

In certain instances of non-compliance, these laws prohibit the Department of Community Affairs from providing grant assistance. For information on a community's Qualified Local Government Status (QLG), i.e., the status of a community's compliance with the first four requirements listed above, please go to the following web site: <http://www.georgiaplanning.com/planners/planreview/default.asp>. For information on a community's compliance with the Local Government Audit Act, please contact Ed Blaha at the Georgia Department of Audits. His contact information is (404) 651-5115 or Blahaef@audits.ga.gov.

Restrictions on Eligibility for Competition

The following restrictions may affect 2012 CDBG Annual Competition applications:

- a) All CDBG recipients are encouraged to expend one hundred percent (100%) of all funds within **twenty-four (24) months from the date of the grant award** made by DCA. The Department of Community Affairs reserves the right to recapture all unobligated funds after the twenty-four month period *and to restrict an applicant from submitting a CDBG application (or if submitted, DCA may not make an award) whenever an unacceptable level of funding under a current grant remains unspent or unobligated.* DCA will review previous grantee progress during the rating and ranking period. Please see DCA's new timeliness criteria below. Consult with DCA prior to application submission if the applicant anticipates that DCA's timeliness criteria will not be met during the rating and ranking period.

Timeliness criteria for the 2012 Annual Competition cycle: These criteria replace the 80/20 rule that has been used during previous competitions to evaluate progress on previously funded CDBG grants. DCA will review these criteria during the later stages of application review (usually around August 1st) to determine the eligibility of communities that have submitted a 2012 Annual Competition application and also have open CDBG grants.

- ◆ For Annual Competition applications funded in 2011, the following criteria should be met:
 - ◆ Must meet one of the exceptions to the "every other year" rule as outlined under b) below.
 - ◆ All Special Conditions should be cleared.
 - ◆ DCA should have released funds.

- ◆ For public facility, multi-activity, or economic development projects, all engineering design work must be finalized, complete and submitted to the cognizant agency for review.
- ◆ For housing or multi-activity projects, the local policies and procedures must have been submitted to DCA for review.

- ◆ For Annual Competition applications funded in 2010, the following criteria should be met:
 - ◆ Fifty percent of budgeted funds should be drawn down and spent.

- ◆ For Annual Competition applications funded in 2009 or earlier, the following criteria should be met:
 - ◆ One hundred percent of budgeted funds should be drawn down and spent.

- b) Generally, units of government funded in the FFY 2011 Annual Competition (whether individually or jointly submitted, and including projects funded with funds other than FFY 2011 funds) may not apply for FFY 2012 CDBG funding. (See also the timeliness criteria above.)

Exceptions: *This restriction does not apply to local governments that propose CDBG projects **entirely within** a current, approved Revitalization Area Strategy area (Application dated no later than April 2, 2012.) See the *Revitalization Area Strategy Manual, 2012 edition*, for further information.*

This restriction does not apply to the Immediate Threat and Danger Program, the Employment Incentive Program, the CDBG Loan Guarantee Program, or the Redevelopment Fund.

This restriction does not apply to communities currently designated by DCA as a “Water First Community” as of April 2, 2012. Water First communities must propose water improvements as the primary purpose of the grant in order to apply annually. The current listing of DCA-designated Water First Communities may be found at DCA’s web site at http://www.dca.state.ga.us/development/EnvironmentalManagement/programs/water_first.asp.

This restriction does not apply to any local government officially designated by DCA as a Communities of Opportunity (Co-Op) partner. A Co-Op partner is defined as a county or city government that has a current, open contract/MOU with DCA to implement that local government’s Co-Op Community Improvement Strategy (CIS) as of April 2, 2012..

- c) Regional applicants meeting the requirements of this manual (see the Special Requirements section below) may apply annually.

- d) Currently, there are no designated enterprise communities in the State of Georgia that are eligible to apply for CDBG funding on an annual basis.

- e) Recipients of prior CDBG funding must resolve all outstanding audit and/or monitoring findings before submission of an application to DCA.

Special Requirements

Joint Applications

Joint applications are generally required when less than 51 percent of the beneficiaries are located within the jurisdiction of the applicant unit of general-purpose local government. Activities may serve beneficiaries outside the jurisdiction of the applicant, provided the unit of general-purpose local government has identified such a need as an overall community-wide housing and community development need and 51 percent or more of the beneficiaries are located within the applicant's jurisdiction. Exceptions may be made in writing by DCA on a case-by-case basis using guidance provided by law and regulation, the applicable local service delivery strategy, and written support for the exception from the county government. **Please consult with DCA for guidance concerning the need for joint applications. Requests for exceptions should be made to DCA as early as possible and no later than March 1, 2012.**

Joint Applications must include:

- ◆ A copy of the Cooperating Agreement entered into by the cooperating units of government. This agreement should designate the unit of government that will serve as lead applicant. A sample cooperating agreement is included as Form DCA-11 of this manual.
- ◆ Separate "Certified Assurances" (Form DCA-10) for each jurisdiction.
- ◆ Evidence of separate public hearings for each jurisdiction. A single public hearing, however, may serve the needs of each jurisdiction, provided that (a) each jurisdiction shares a central location and (b) the hearing is clearly publicized by both (or jointly publicized by each) jurisdictions. If a single hearing is proposed, please contact DCA for guidance. For further information, please refer to *Citizens Participation Requirements* further outlined in this manual.

Regional Applications

- ◆ Regional applications are intended to allow an applicant to address problems and apply for a project benefiting a multi-county region. In order to encourage regional solutions, successful local applicants for regional projects (including all local applicants that are part of a regional application) will not be required to "sit out the next competition" and may apply the following year for a different or new project provided DCA timeliness criteria are met.
- ◆ Regional applications must meet the *Special Requirements for Joint Applications* outlined above. In addition, Regional applications should include a letter(s) from the appropriate Regional Commission (RC) certifying that the project is consistent with any local and regional plans that exist and has multi-county benefits. Please contact DCA prior to submission for guidance.

"What is the difference between Joint and Regional applications?"

Joint applications are usually required when less than 51% of the beneficiaries reside in the primary applicant's jurisdiction. Regional applications apply to projects benefiting a multi-county region.

CHIP Applications

- ◆ Applicants seeking to combine CDBG and CHIP resources should contact Don Watt, Office

Director of the Office of Special Housing Initiatives, at (404) 679-0660 or don.watt@dca.ga.gov. CDFD will give consideration under the Strategy, Leverage, and Revitalization Area scoring components to CHIP resources devoted to CDBG target areas.

Eligible CDBG Activities

National Objective—Low-and Moderate-Income Benefit

All CDBG funded activities must be eligible under the Housing and Community Development Act of 1974 and must meet a National Objective. See Appendix A for a copy of Section 105 of the ACT which enumerates eligible activities and Appendix D for a copy of 24 CFR Part 570.483 which sets forth the Criteria for meeting National Objectives.

Definition of Low- and Moderate- Income

CDBG regulations specify the maximum income of program beneficiaries as summarized below:

- ◆ A low- and moderate-income (L/M income) person is defined as a member of a household having an income equal to or less than the Section 8 Housing Assistance Program low income limit established by the U.S. Department of Housing and Urban Development (HUD).
- ◆ A household includes, but is not limited to: a person who lives alone or intends to live alone, or two or more persons sharing residency whose income and resources are available to meet the household's needs and who are either related by blood, marriage, or operation of law, or who have a stable family relationship.
- ◆ The Section 8 income guidelines are available for each county and are based on 80 percent of the county's median income or 80 percent of the statewide non-metropolitan median income, whichever is greater, with adjustments for family size. They are published each spring and are distributed by HUD and DCA. Refer to Appendix B for the most recently calculated income limits.
- ◆ Family income is defined as follows: "the anticipated gross income from all sources (except those specifically excluded by HUD) received by all family members 18 years of age and older, including those who are temporarily absent from the unit."

Each CDBG activity must meet the following minimum threshold requirements for low- and moderate-income benefit:

✓ Housing Activities:	100% benefit to Low- and Moderate-Income Persons
✓ Public Facilities:	70% Benefit to Low- and Moderate- Income Persons
✓ Economic Development:	51% Benefit to Low- and Moderate- Income Persons

Instructions for determining low- and moderate-income benefit are located in Part IV of this manual. (Instructions for Form DCA-6.) A sample low- and moderate-income survey is included in Appendix C. Applicants are reminded to include a complete description of the method used to determine benefit with

Form DCA-6. Neighborhood surveys are the most reliable method for area benefit projects. Please refer to DCA's "Acceptable Survey Methodology" (Appendix C) publication for assistance in designing and implementing a sample survey.

In the case of buildings serving low- to moderate-income persons, do not "double count" clients. DCA is interested in the total number of people using the facility--not the number of visits to the facility. DCA counts the unduplicated number of beneficiaries over a year's time.

- Each activity listed in this section is eligible only to the extent to which it addresses the needs described on Form DCA-4 and benefits at least 70% (at least 51% for economic development and 100% for direct housing) low- and moderate-income persons. This determination must be satisfactorily demonstrated on Form DCA-6. Failure to adequately demonstrate low- and moderate-income benefit may lead to application denial.

Examples of eligible activities

Examples of eligible activities include:

- ◆ **Supporting Fair Housing Activities** (See HUD Memorandums in Appendices M and N.)
- ◆ **Using CDBG Funds to Address the Challenge of Homelessness** (See HUD Memorandum in Appendix L.)
- ◆ **Acquisition of Real Property** in whole or in part by purchase, long-term lease, donation or otherwise by the applicant, another public agency, a non-profit, and/or private individuals and for-profits for the purpose of carrying out housing rehabilitation, economic development activities, public facilities, or other eligible activities.
- ◆ **Disposition** or costs incidental to disposing of property acquired with CDBG funds. Examples of eligible costs include appraisal, survey, marketing, legal, financial, transfer taxes, etc.
- ◆ **Public Facilities and Improvements**, including the acquisition, construction, reconstruction, rehabilitation and/or installation of the same. This activity includes, but is not limited to, water and sewer facilities, flood and drainage improvements, parking, streets, curbs, gutters, sidewalks, parks and playgrounds. Other activities may include the development of shelters for homeless, elderly, mentally ill, abused and impaired persons. Public facility activities may also include the development of medical, community, senior and handicapped centers, or centers for literacy training.
- ◆ **Clearance** costs within a "targeted area" generally include the demolition and removal of structures and other items (mobile homes, dilapidated houses, junk cars, etc.) to appropriate sites.
- ◆ **Interim assistance** to a deteriorating "target area" may include activities which are low-budget and otherwise ineligible such as pothole, lighting, fencing, sidewalk, street repair, etc. Interim assistance may also include special refuse collection, trimming and removal of trees and overgrowth, etc. Assistance under this activity is generally associated with a redevelopment project.
- ◆ **Relocation** or temporary relocation of families and individuals, businesses or other organizations. Relocation may be required by Federal law and regulation (the Uniform

Relocation and Real Properties Acquisition Act of 1970, and pursuant regulations), or it may be "optional" and subject to local policy approved by DCA based upon need. *Temporary relocation activities associated with housing rehabilitation (including lead-based paint hazard control) or reconstruction should be budgeted within the appropriate activity line item (rehabilitation or reconstruction) on Forms DCA-7 and 8, not on the relocation budget line. Only permanent relocation activities should be included in the relocation line items on Forms DCA-7 and 8.*

- ◆ **Removal of Architectural Barrier** activity includes modifications to existing structures that are necessary to remove material and architectural barriers that restrict the mobility and accessibility of the elderly or handicapped to publicly or privately owned buildings, facilities or improvements.
- ◆ **Housing Rehabilitation** will utilize CDBG funds to finance the rehabilitation of public or private residential property, including the conversion of non-residential properties (in downtown commercial districts, etc.) for housing. **Rehabilitation of housing units built prior to 1978 must provide for compliance with lead based paint hazard control regulations (24 CFR Part 35).**
- ◆ **Reconstruction** of housing provided that it is (a) owner-occupied, and (b) the house proposed for reconstruction is "not feasible" for rehabilitation. The reconstructed unit must be built on the same parcel of land as the unit it replaces. Please consult DCA for detailed guidance if reconstruction is planned.
- ◆ **Down Payment/Second Mortgage Assistance** can be used as a strategy to encourage homeownership. This tool can be used for assistance in providing help with down payment, second mortgage, loan closing and other related costs. In keeping with HUD policy "to improve the likelihood of continued affordability," down payment assistance requirements have been revised to support fixed rate loans. DCA encourages leverage (usually first mortgage) loans at a fixed rate of interest for a term that benefits the recipient of assistance—most often 30 years. Community Development and Finance Division policy now requires DCA review of adjustable and/or variable rate mortgages and other flexible mortgage financing plans. Please see the guidance memorandum entitled *Determining Affordability of First Mortgages on Loans with CHIP or CDBG Assistance* published April 12, 2004 and the guidance memorandum entitled *Use of Adjustable Rate Mortgages, Variable Rate Mortgages or Other Flexible Mortgage Plans with CHIP or CDBG* published September 21, 2005. (See Appendix J.)
- ◆ **Code enforcement** related to the payment of salaries and overhead costs directly related to activities within a declining "target area."
- ◆ **Economic development** activities or assistance to "for profit entities," whether during the Annual Competition or through the Economic Development set-aside programs, generally take one of two forms:
 - ✓ direct loans to businesses/industry
 - ✓ public infrastructure in support of business/industry.
- ◆ **Project related soft costs** including appraisal costs and cost related to reviews under the Programmatic Agreement or costs required for extraordinary environmental compliance.
- ◆ **Administrative costs** necessary to carry out a CDBG project. These costs include

expenses for:

- ✓ *General management, oversight and coordination.* This category refers to the direct costs of overall program management, coordination, monitoring and evaluation. It also includes similar costs associated with carrying out projects with multiple activities. (For example, salaries, related expenses and all other costs directly related to the overall management, oversight and coordination of a project with several activities, such as within a defined concentrated project area should be charged to this category).
- ✓ *Indirect costs.* Costs associated with an approved cost allocation plan prepared in accordance with OMB Circular A-87 "Cost Principles Applicable to Grants and Contracts and State and Local Governments."
- ✓ *Citizen participation.* Costs related to citizen participation in the planning, implementation and assessment of the program, including, but not limited to, the costs of providing program information to the public, providing technical assistance to citizens and citizen organizations, publishing notices, and holding hearings.
- ✓ *Reasonable costs of environmental studies* (including historic preservation clearances, project specific environmental assessments, and clearances for eligible activities) necessary to comply with Federal, State and local law, and other eligible administrative costs. (Please consult FMC A-87 for guidance.)

Administrative costs, however, do not include direct costs and other professional services directly related to design and implementation of an engineering or architectural project. These costs should be budgeted as part of each appropriate engineering or architectural line item. Such costs may include the preparation of cost estimates, land surveys, easement plats, pre-design meetings, preliminary construction drawings, permits and interagency approvals, construction drawings, pre-construction conferences, meetings with contractors/recipient staff, bid openings, contractor investigations, contract administration, inspections, training, & as-built drawings, etc. Other eligible administrative costs (generally not related to the design and construction services contract) may include archaeological studies, in-depth historic assessments, archival photographs, legal fees, title work, housing inspections, etc. Please consult DCA staff for budgetary guidance.

Ineligible Activities

Generally speaking, activities are ineligible if they do not meet HUD's National Objectives.

Examples of ineligible activities

Examples of ineligible activities:

- ✓ Acquisition of furnishings, movable equipment, machinery, and land write-downs
- ✓ Operating and maintenance expenses
- ✓ Construction of buildings for the general conduct of government
- ✓ Purchase of construction equipment
- ✓ Cost of furnishings and personal property associated with new construction

- ✓ Constructing new housing, creating a "secondary housing unit" (an in-law suite, etc.) attached to a primary unit; installing luxury items such as upgraded appliances, spas, pools, etc.; the cost of non-built-in equipment and furnishings (stoves and refrigerators are exceptions); and labor costs for homeowners themselves to rehabilitate their own property.
- ✓ An exception to the new construction prohibition may be granted whenever: 1) No comparable local resources exist and the community can demonstrate eligibility under *Last Resort* as defined under 49 CFR Part 24.404; or (2) a local government provides funding to a community-based housing development organization meeting the criteria outlined in HUD 24 CFR 570.204. DCA reserves the right to require additional market data and other development information prior to funding any new housing construction activities.
- ✓ Any form of direct grant assistance to a business or industry (for-profit entity) is ineligible.

Basic Compliance Rules for CDBG

This section of the CDBG Applicants' Manual describes some of the critical laws and regulations CDBG applicants must consider when planning a CDBG Project. Note that a complete list of applicable laws and regulations can be found in Appendix G.

It is the responsibility of the applicant's certifying official to ensure that the proposed program, activities, goals and timetables are in compliance with all applicable Federal and State laws, regulations and executive orders.

An important part of the application feasibility score is how well the proposal addresses compliance with applicable laws and regulations. Applicants should use the Description of Activity Form (DCA-5) to describe compliance actions to be undertaken by local government applicants and, if funded, grant recipients. Applications that fail to demonstrate compliance with applicable laws and regulation will lose points in the rating and selection process. If a CDBG grant is awarded, the Department of Community Affairs will provide local government representatives additional compliance training at a Recipients' Workshop.

Citizen Participation Requirements

The Housing and Community Development Act emphasizes efforts to involve citizens, especially low- and moderate-income citizens, in all aspects of the CDBG Program.

As required by the Housing and Community Development Act, the Georgia Department of Community Affairs has adopted a written Citizen Participation Plan, available on the DCA website at <http://www.dca.state.ga.us/communities/CDBG/programs/downloads/CDBGForms/CitizenParticipationPlan.pdf>.

Applicants for and recipients of CDBG funds certify that they will follow this plan that requires that local units of government will provide for and encourage participation in the planning, implementation and assessment of their CDBG program.

In order to meet these goals, applicants must, at a minimum, meet the following requirements:

- ◆ Hold at least one (1) public hearing in the locality prior to submission of an application to

DCA. The purpose of the hearing will be to obtain citizens' views and to respond to proposals and questions concerning previous CDBG funded projects (if any) and to obtain citizen participation in the development of new proposals including identification of community needs and proposed activities. The applicant must furnish information including the estimated amount of funds proposed to be used for activities benefiting low- and moderate-income persons and its plan to minimize displacement and assist displaced persons.

- ◆ A notice advertising the public hearing must be published not less than five (5) calendar days prior to the date of the hearing in the non-legal section of a local newspaper of general circulation. (A sample public hearing notice is included on the next page) Local governments are encouraged to take other actions to provide adequate notice to potentially interested persons.
- ◆ A copy of the application as submitted to DCA must be available for public review and the public must be notified of its availability for review.
- ◆ Hearings must be held at times and locations convenient to potential or actual beneficiaries and with accommodations for the disabled. The needs of non-English speaking residents must be met for public hearings where a significant number of non-English speaking residents can be reasonably expected to participate. Contact DCA for any required assistance.
- ◆ Applicant files must contain documentary evidence that the actions listed in this section have been taken, including copies of actual notices and minutes of hearings.
- ◆ Applicants and recipients must provide technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals, *with the level and type of assistance to be determined by the local unit of government.*
- ◆ Citizens must be provided with reasonable and timely access to local meetings, information and records relating to the local government's proposed and actual use of CDBG funds as required by HUD regulations, state law, or DCA policy.
- ◆ **This section should not be construed to restrict the responsibility or authority of the local government for the development and execution of its community development program.**
- ◆ The applicant must certify in the Certified Assurances component of the application (Form DCA-10) that the requirements above have been met.

Note: *Georgia Law requires that "all state, county and municipal records, except those which by order of a court of this state or by law are prohibited from being open to inspection by the general public, shall be open for a personal inspection of any citizen of this state at a reasonable time and place, and those in charge of such records shall not refuse this privilege to any citizen" (50-18-70, O.C.G.A.). This means that past and current records on the use of CDBG funds are required to be open for public inspection.*

Sample Public Hearing Notice

The (city or county) of (name of city or county) is considering applying to the Georgia Department of Community Affairs for a Community Development Block Grant of up to \$(amount of funds). These funds must be used to primarily benefit low- and moderate-income persons.

The activities for which these funds may be used are in the areas of housing, public facilities, and economic development. More specific details regarding eligible activities, plans to assist displaced persons (if any), the estimated amount of funds proposed to be used for activities to benefit low- and moderate-income persons, and the rating system will be provided at a public hearing which will be held at (place/address) on (date), at (time).

The purpose of this hearing will be to obtain citizen input into the development of the application and to review progress on the previous CDBG grant (if applicable). Persons with special needs relating to handicapped accessibility or foreign language shall contact (name/phone) prior to (date). This person can be located at (complete address) between the hours of (hours am - pm), Monday through Friday, except holidays. Persons with hearing disabilities can contact us at our TDD number (AC + number). [Applicants who do not have a TDD phone may consider using the Georgia Relay Service, at (TDD) 1-800-255-0056 or (Voice) 1-800-255-0135.]

The applicant must maintain detailed minutes of this hearing, a "tear sheet" or affidavit pertaining to the public notice and documentation as to whether or not meeting "special needs" was required and, if applicable, addressed.

Residential Anti-displacement and Relocation Assistance Plan

A unit of general local government receiving funds from the State must certify to the State that it has in effect and is following a residential anti-displacement and relocation assistance plan, and that it will minimize displacement of persons as a result of assisted activities. Relocation activities are subject to The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (46 U.S.C. 4601) and regulations at 49 CFR, Part 24. Additionally, Section 104(D) of the Housing and Community Development Act, as amended has two major requirements (see 24 CFR Part 42): (1) the one-for-one replacement of certain housing units demolished, or converted to non-low/moderate income status, as a direct result of a CDBG project, and (2) the expanded relocation assistance benefit payment for certain displaced tenants. This requirement will affect certain program design strategies of any applicant proposing housing demolition and/or relocation activities.

Programmatic Agreement on Historic Preservation

In 1997, the State Historic Preservation Office (SHPO), DCA, and the Advisory Council on Historic Preservation signed a Programmatic Agreement (PA) affecting all housing programs funded by DCA under CDBG. Whenever recipients are planning to rehabilitate potentially historic housing (any housing over 50 years old), the terms of the Programmatic Agreement will permit, within certain limits, local decision making about the manner in which such housing will be treated. All recipients are required to follow the terms of the Programmatic Agreement and to consult with local preservation professionals whenever planned rehabilitation activities exceed a set of Exempt Activities stipulated in the Programmatic Agreement. **Note:** A copy of the Programmatic Agreement is included at Appendix I.

Acquisition of Property for Public Facility Projects

The Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended, and as implemented by DOT regulations 49 CFR Part 24, applies whenever a local government recipient of CDBG needs to acquire property, such as land for a building, easements, Right-of-Way (ROW) for public infrastructure such as water or sewer lines, street paving, or drainage improvements.

The basic requirements are:

- The property owner must be offered the Fair Market Value (FMV) of the property based on an appraisal;
- Prior to the purchase offer, owners must be provided with information concerning their rights under the law; and
- Donations are possible but only after the owner has been informed of the government's obligation to pay FMV and executes a waiver.

URA procedures must be followed for CDBG projects even if the local government recipient is using other federal funds, its own non-federal funds, or other non-federal funds to pay for the property.

Applicants should address the status of any property needed for the project using Form DCA-5. **Applicants who can identify the specific number of easements or parcels required and the property owners and specific costs based on land values at the time of the application may receive a higher feasibility score than those who are not ready to proceed with the acquisition process.**

Note on Eminent Domain

The State of Georgia has passed legislation (HB 1313) restricting the use of eminent domain by the political subdivisions of the state. Please note these restrictions when planning your CDBG project. For further information, please review HB 1313. This legislation amended portions of Titles 8, 22, 23, and 36.

Environmental Compliance

There are many federal and state environmental protection laws and regulations to consider when planning and implementing CDBG funded projects. It is important to note that compliance is often required for all funding sources, public and private, and for all components of the entire project. By planning at the application and predevelopment stages, CDBG recipients can avoid future compliance complications and time delays.

Form DCA-9 captures some of the important environmental compliance information needed to complete the environmental review required by NEPA.

National Environmental Policies Act of 1969 (NEPA) and HUD regulations implementing NEPA titled "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities" (24 CFR Part 58).

All CDBG projects must take certain actions to comply with this regulation before committing funds for acquisition or construction. This generally includes the completion of an environmental impact assessment, documenting actions taken to comply with other environmental laws (such as those listed in the Appendix G and described below), and public notices.

The assessment is a written document, usually prepared after a grant is awarded, which evaluates both the negative and positive environmental effects of a project. It looks at the human, social and natural environment. At the planning stage, CDBG applicants should consider potentially negative environmental effects and propose solutions which minimize or mitigate these effects.

Floodplain Protection

HUD has issued regulations (24 CFR Part 55) intended to minimize floodplain development. As part of the overall environmental review process, CDBG recipients will have to document compliance with this regulation. At the application stage, refer to FEMA floodplain maps to determine if any component of your planned project takes place in the floodplain. For further information on FEMA floodplain maps, please see FEMA's web site at www.fema.gov.

Also a series of Public Notices is required prior to any floodplain disturbing actions. Please see Appendix K for samples of the required notices. These notices are not required prior to submission of an application unless the applicant has requested a PACA that requires completion of an environmental review.

In addition, HUD requires any community using CDBG funds for any activity affecting a FEMA mapped floodplain to be a participating jurisdiction with the federal flood insurance program and to have FEMA approved local floodplain development restrictions. Any CDBG funded activity affecting the floodplain must also be in compliance with these local ordinances.

Wetland Protection

Similar to floodplain development restrictions, the Army Corp of Engineers (ACE) under the authority of Section 404 of the Clean Water Act has authority over "jurisdictional wetlands" and restricts their development. In addition, a Section 404 ACE permit may be required for projects disturbing a wetland. Also a series of Public Notices is required prior to any wetland disturbing actions. Please see Appendix K for samples of the required notices. These notices are not required prior to submission of an application unless the applicant has requested a PACA that requires completion of an environmental review. For further information on Section 404 permitting requirements, please see Appendix K. This appendix also contains information concerning the recognition of wetlands and an ACE form to request a determination of ACE jurisdiction over properties applicable to the proposed project. More information can be obtained at Georgia's ACE district office web site at www.sas.usace.army.mil/.

Historic Preservation Compliance Requirements

Section 106 of the National Historic Preservation Act and the implementing regulations of the Advisory Council on Historic Preservation (36 CFR Part 800) require all CDBG applicants and recipients, in consultation with the State Historic Preservation Office (SHPO), to determine if any buildings, neighborhoods or archeological sites and resources listed or eligible for listing on the National Register of Historic Places are in the "Area of Potential Effect" (APE), and to determine the effect of the project on the APE. If the effect is adverse, the regulation requires the negotiation of ways to minimize or mitigate the effect.

Use Form DCA-9 and its attachment from DNR/HPD to identify eligible and potentially eligible areas and buildings. Photographs keyed to a map (not the same photographs used to document the "severity of need" for the project) should be included with this form. The instructions for this form have more information on the photographic and data needs. Note that there is an attachment to the form with additional information that DNR/HPD needs to review your project in a timely manner.

DCA will send projects under consideration for funding awards to the State Historic Preservation Office at the Department of Natural Resources for review and comments. The results of this review will be included in funding awards as Special Conditions which must be complied with as part of the required Environmental Review. To hasten the process, consider seeking comments from SHPO prior to submitting an application to DCA as part of your own planning and project development.

The additional cost of negotiated mitigation measures is an eligible CDBG cost.

Lead-based Based Paint Poisoning Prevention in Certain Residential Structures

HUD regulation 24 CFR Part 35 provides for the evaluation and control of lead-based paint hazards in residential housing units built prior to January 1, 1978. Requirements for compliance with this regulation vary, depending on the activity undertaken using federal funds. Every program utilizing federal funds (including CDBG) is required to comply with this regulation for activities including, but not limited to, rehabilitation, homebuyer assistance and down payment assistance. Further guidance is available in the *Guidelines for CDBG Residential Rehabilitation Program Manual*, or DCA staff is available on request to provide technical assistance.

Relocation Assistance

The Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended, and as implemented by DOT regulations 49 CFR Part 24 applies if tenants or homeowners (regardless of income) are displaced in conjunction with a CDBG activity. See also the applicability of the URA to property acquisition above.

The purpose of this part is: (a) to ensure that owners of real property to be acquired for Federal and federally-assisted projects are treated fairly and consistently, to encourage and expedite acquisition by agreements with such owners, to minimize litigation and relieve congestion in the courts, and to promote public confidence in Federal and federally-assisted land acquisition programs; (b) to ensure that persons displaced as a direct result of Federal or federally-assisted projects are treated fairly, consistently, and equitably so that such persons will not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole; and (c) to ensure that agencies implement these regulations in a manner that is efficient and cost effective. Further guidance is available in HUD Handbook 1378 or DCA staff is available on request to provide technical assistance.

One-for-One Replacement of Demolished Housing Units

Section 104(d) of the Housing and Community Development Act is applicable if rental units are converted to non- "low- and moderate-income dwelling units" or if occupied or occupiable housing units are demolished. This section requires the one-for-one replacement of affected units within a specific timeframe. This section also makes provision for an alternative relocation payment formula for displaced persons who will be provided "tenant-to-tenant" relocation assistance. See HUD regulations at 24 CFR Part 570.606 and 24 CFR Part 42. Further guidance is available in HUD Handbook 1378 or DCA staff is available on request to provide technical assistance.

Federal Labor Standards (Davis-Bacon, etc)

These federal labor standards require the payment of US Department of Labor "prevailing wages" (at a minimum) for most construction projects. There are also extensive reporting and project monitoring requirements.

PART II: GENERAL AWARD INFORMATION AND REQUIREMENTS

Pre-Agreement Cost Approval (PACA)

Because projects often run on schedules that are time-sensitive, CDBG regulations and DCA policy allow potential applicants to request pre-agreement cost approval (PACA) from DCA that authorizes the potential applicant to commence project activities and maintain project timetables while applying for CDBG assistance. Upon DCA's issuance of pre-agreement cost approval, a project may move forward prior to submission of an application or award of funds while maintaining the eligibility of the activities that take place prior to submission of an application and receipt of a grant award.

DCA strongly recommends that potential applicants contact DCA (through its Office of Community Development in Atlanta) to discuss pre-agreement cost approval prior to submission of a written request for pre-agreement cost approval.

DCA will only grant pre-agreement cost approvals that are in compliance with 24 CFR §570.489(b) and 24 CFR Part 58. Upon approval of pre-agreement costs, the applicant is eligible for reimbursement of eligible expenses *if* a CDBG award is made. Eligible expenses in compliance with DCA's written pre-agreement cost approval may also be counted as leverage.

IN NO EVENT WILL PRE-AGREEMENT COST APPROVALS ISSUED BY DCA ENSURE DCA FUNDING FOR THE REQUESTED PROJECTS. THE DCA ANNUAL COMPETITION IS VERY COMPETITIVE AND PRE-AGREEMENT COST APPROVAL DOES NOT IN ANY WAY INCREASE AN APPLICANT'S COMPETITIVENESS. ALL COSTS INCURRED BY APPLICANTS PRIOR TO THE CDBG AWARD DATE ARE AT THE APPLICANTS' OWN RISK. HISTORICALLY, ONE-HALF TO TWO-THIRDS OF CDBG APPLICANTS ARE NOT AWARDED FUNDS.

FY 2012 CDBG Available Funds

Approximately \$25,000,000 in FFY 2012 CDBG funds is estimated to be available for distribution under the Annual Competition. The exact amount will be determined after Congress appropriates HUD's FFY 2012 budget and HUD applies its distribution formula to the appropriated funds.

Types of Grants

Applications under the Annual Competition must be for either a single-activity or multi-activity grant:

- 1) **Single-activity** grant applications must be structured to address problems within one of the following three areas: (a) neighborhood revitalization, (b) public facilities, or (c) economic development. Single-activity grant applications may qualify for Revitalization Area bonus points.
- 2) **Multi-activity** grant applications must involve two or more activities that address community development needs in a comprehensive manner. This funding component requires an applicant to address problems within more than one of the areas listed above. The combination of various neighborhood revitalization, economic development and public facilities activities is encouraged. Multi-activity grant applications may qualify for Revitalization Area bonus points.

Maximum CDBG Grant Amounts

Single-Activity	Multi-Activity
\$500,000	\$800,000

The dollar amounts established are maximums. Application proposals should be developed that are consistent with the community's needs and ability to complete the program in a timely fashion. The DCA review process emphasizes the establishment of realistic goals and the development of resources needed to address the goals. Applicants are also encouraged to apply for other federal, state, or private funds in order to increase the resources at their disposal to address their community development needs.

Matching Requirements

All awards under the Annual Competition (except for CDBG single-activity neighborhood revitalization grants, which require no match) must be matched by the recipient.

Required cash match:

- 0% for amounts up to \$300,000 in CDBG funds
- 5% of amounts from \$300,001 to \$500,000 in CDBG funds
- 10% of amounts from \$500,001 to \$800,000 in CDBG funds

The match must be cash, whether loans, bond proceeds, grants, or appropriated funds. The source can be either private or other non-CDBG

(CHIP funds are not eligible for match) public funds. "In Kind" Services are not considered cash. Match cannot be designated for excessive grant administration nor may match be designated for contingencies.

DCA also considers "leveraging" of other funds and resources in the rating and review process. Any match contributed over and above the required minimum cash match will be counted as leverage when reviewing each application. In accordance with applicable regulations, *preliminary costs such as engineering estimates or fees for preparation of applications spent prior to a formal award are ineligible costs and may not be reimbursed or recovered if a grant award is made. However, the portion of these costs directly attributable to the submitted project may be counted as match or leverage.* A separate letter(s) must be included documenting any funds/services to be included as match or leverage. Although the match must be a cash match and cannot consist of in-kind services, its source can be local public funds, other state or federal funds, or private investments or contributions. Whatever the source, to be counted as match or leverage, it must be evidenced by a firm written commitment, either a resolution or letter. Costs incurred prior to the submission of the application (and award) must be documented by invoices, cancelled checks or other acceptable documentation and meet all applicable requirements. Please refer to the instructions for Form DCA-8.

Limitation on Administration and Professional Fees

Note: DCA reserves the right to reduce the overall level of administrative or professional fees depending on the scope of the proposed project.

Use the following limits for administrative, engineering and/or architectural costs paid for with CDBG funds.

<u>Type of Project</u>	<u>Administrative Cost Limit</u>	<u>Engineering/Architectural Cost Limit**</u>
Single Activity (Public Facility or Econ. Dev.)	6% of grant + \$200* per unit to which plumbing improvements are made	-Engineering @ 12% of CDBG construction amount -Architectural @ 10% of CDBG construction amount
Multi-Activity	7% of grant + up to \$2,500* per unit rehabilitated	-Engineering @ 12% of CDBG construction amount -Architectural @ 10% of CDBG construction amount
Single Activity Neighborhood Revitalization	7% of grant + up to \$2,500* per unit rehabilitated	N/A

*Per unit charges (Project Delivery Costs) should be budgeted in the activity line item, not in administration.

**Under limited circumstances, CDBG may pay for more than 12% of the CDBG construction amount when DOT funds are used as match or leverage because DOT will not pay the cost of engineering for its projects. In these instances, the applicant should explain on DCA-8 the justification for additional engineering funds. In no case will CDBG pay more than 12% for engineering of the combined CDBG and DOT construction costs. DOT projects that require little if any engineering (e.g., street resurfacing) will not receive any special consideration.

The limit for CDBG engineering and/or architectural services cost is based on construction cost paid for with CDBG funds. Contingency line items included in Preliminary Engineering and Architectural Reports are not considered construction costs and may not be included in the calculation of maximum engineering and architectural fees.

Note: Up to \$1,000 for financial audit costs are also an allowable CDBG administrative expense, in addition to the percentages specified above.

Project Delivery Costs

In order to provide an incentive for jurisdictions to complete at least the number of housing units that is equal to the number indicated in their project application, DCA will provide a maximum of 7% of the CDBG housing or multi-activity grant award amount for General Administration combined with up to a \$2,500 Project Delivery Cost payment per completed unit of housing, subject to the following schedule:

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Unit Type	Activity	Maximum PDC
Stick Built (including Modular)	Rehabilitation/Reconstruction	Up to \$2,500
Stick Built (including Modular)	Down Payment or Second Mortgage Assistance	Up to \$1,500
Manufactured (“mobile home”) Owner owns unit AND land	Down Payment or Second Mortgage Assistance	Up to \$1,000
Manufactured (“mobile home”) Owner owns unit AND land	Reconstruction	Up to \$1,000
Manufactured (“mobile home”)	Rehabilitation	Up to \$750
Manufactured (“mobile home”) Owner owns unit only (long term lease on land)	Down Payment or Second Mortgage Assistance	Up to \$750

Additional Project Delivery Costs for Lead Hazard Control for rehabilitation of housing built prior to 1978 allowed by CDBG are as follows:

1. Inspection/Risk Assessment procurement and oversight, a maximum of up to \$100 per unit.
2. Lead hazard control construction and clearance procurement and oversight, a maximum of up to \$400 per unit.

Note: If the project administrator performs lead hazard evaluation (inspection/risk assessment) or clearance “in-house” (no procurement or oversight), the maximum PDC for this activity is \$300 for procurement and oversight of the actual lead hazard control work by a qualified firm.

Project Delivery Costs must be reasonable and necessary and supported by documentation. PDC’s should be budgeted on the appropriate activity line item, NOT in the General Administration line on DCA-7 and 8.

DCA reserves the right to reduce the overall level of administrative funds depending on the scope of the project. Jurisdictions can expect to receive approximately half of the regular Project Delivery Cost payment for certain activities that are less expensive administratively on a per unit basis, such as permanent relocation and multiple units of rental housing under one roof.

Procurement for Application Development and other Professional Services

CDBG payments for professional services are subject to the “competitive negotiation” requirements of 24 CFR Part 85 (Common Administrative Rule). These provisions apply, typically, to contracts with private consultants, engineers and architects, and are not necessary when contracting with Regional Commissions. Note, however, that RCs that wish to subcontract directly with private consultants must use the procedures in this section and follow the requirements of 24 CFR Part 85 before entering into subcontracts with private consultants. Alternately, the local government may contract with both an RC and private consultant provided the requirements herein are followed for the procurement of the private consultant.

To comply, the applicant government (not the individual or firm proposing to provide services) must:

- ◆ Develop a Request for Proposal (RFP) that includes “evaluation factors” selected by the applicant and their level of importance. A Request for Qualifications (RFQ) is also acceptable for engineering or architectural services. Contact DCA for assistance.
- ◆ Publicize the RFP or RFQ. This is most often accomplished by publishing it in the applicant's "legal organ." Allow 30 days for responses.
- ◆ Send a letter with copy of the RFP or RFQ to a number of "known providers". When soliciting firms to develop applications/administer projects, RFP's should be sent to at least 7 known providers. When soliciting engineering/architectural services, the RFP or RFQ should be sent to at least 10 known providers. As a service to applicants, recipients and others, DCA maintains a list of professionals who have expressed an interest in making proposals on CDBG projects. This is not an "approved" list. DCA does not approve or disapprove professionals. This is the applicant's or recipient's responsibility.
- ◆ Negotiate with (preferably with at least 2) respondents to the RFP or RFQ.
- ◆ Prepare documentation that evaluates proposals and establishes reasons (based on criteria in RFP or RFQ) for contract recommendations.
- ◆ Consult city or county attorney with above recommendations and proposed contract.
- ◆ Based upon established reasons and attorney's recommendation, obtain full council/commission approval and execute contract. Letter(s) thanking unsuccessful respondents for making a proposal should then be sent. Based on evaluation criteria contained in the RFP/RFQ, this letter should state reasons why the respondent was not hired.

Because CDBG funds cannot be used to pay application development costs, applicants may (or may not, at their discretion) use this procurement process to select professionals for the preparation of an application. Applicants are cautioned, however, only to obligate CDBG funds after a grant is awarded. Initial contracts should only obligate the applicant to compensate for costs of application development. (**Note:** this cost is not eligible for reimbursement under the CDBG Program.) If the professional is selected to prepare the application and provide additional services upon award, then the procurement process described above must be utilized.

If an acceptable procurement process was followed within the last year for an application that is being resubmitted because it was denied within the past year, it is not necessary for the local government to readvertise for professional services if they choose to retain the same firm for the same application. If the procurement is more than 1-year old, a new advertisement and solicitation of RFP's/RFQ's is required.

For procurement processes that result in requests for sole source approval from DCA, the procurement process must be fully documented to DCA's satisfaction before DCA will grant approval, including but not limited to the following: 1) a description of the procurement process; 2) a tear sheet of the Request for Proposals; 3) a list of the active, qualified consultants or engineers/architects that were mailed the Request for Proposals; and 4) certified return receipt documentation that the Request for Proposals was mailed to the required number of active, qualified consultants or engineers/architects, or adequate email documentation that the Request for Proposals was delivered as required.

Application Submission Deadlines

To participate in the FFY 2012 CDBG Annual Competition, **all applications must be submitted to DCA by April 2, 2012.** Applications must be U.S.P.O. postmarked no later than April 2, 2012 or hand delivered no later than the close of business on April 2, 2012.

We suggest that applications that are mailed be sent by certified or registered mail.

Applicants must submit an original application and three (3) copies (set of 4). Please be sure at least 2 of the 4 copies have **original photographs**. DCA requires that all sets of photographs be in color. The mailing address is as follows:

Administrative Secretary
Office of Community Development
Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, Georgia 30329-2231

Note 1: For Revitalization Area Strategy designation and bonus points for the FFY 2012 Annual Competition, the deadline for application submission is also April 2, 2012. Revitalization Area Strategy Applications (and application updates) are submitted under separate cover. Please see the *CDBG Revitalization Area Strategy Applicants' Manual* for further detail.

Application Review Process

Overview of Rating and Selection System

Single and Multi-Activity CDBG applications are rated to address points for feasibility, strategy, and impact. Demographic scores will be calculated separately for cities and counties. For purposes of calculating the demographic score, joint or regional applications that include a county will be included in the county group and those including only cities will be included in the city group.

Applications will be rated and scored against each of the following factors. (The maximum score possible is 480 points for CDBG, and up to 500 for Revitalization Area Strategy applications.)

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	Maximum Points
Demographic Need - absolute number in poverty	40
Demographic Need - percent of poverty person	40
Demographic Need - per capita income	40
Program Feasibility	110
Program Strategy	110
Project Impact	110
<u>Leverage of Additional Resources</u>	<u>25</u>
<u>Total Points</u>	<u>475</u>
<u>Bonus for Readiness to Proceed</u>	<u>Up to 5</u>
<u>Bonus points for Revitalization Area Activities</u>	<u>Up to 20</u>
Maximum Total Points	500

Rating Factors

Demographics

Rating factors will be assigned in the following manner:

- ◆ **Demographic Need - absolute number of people in poverty:** Applicants will be divided into two groups (city is the primary and only applicant, or county is either the primary or joint applicant) and then compared in terms of the number of persons in the entire jurisdiction whose incomes are below the poverty level. Scores will be obtained by dividing each applicant's number of persons in poverty by the greatest number of persons in poverty of any applicant in the group and multiplying by 40.
- ◆ **Demographic Need - percent of people in poverty:** Applications will be divided into two groups (city is the primary and only applicant, or county is either the primary or joint applicant) and then compared in terms of the percentage of population below the poverty level in the entire jurisdiction. Scores will be obtained by dividing each applicant's percentage of persons in poverty by the highest percentage of persons in poverty of any applicant in the group and multiplying by 40.
- ◆ **Demographic Need - per capita income:** Applicants will be divided into two groups (city is the primary and only applicant, or county is either the primary or joint applicant) and then compared in terms of their per capita income for the entire jurisdiction. Scores will be obtained by dividing each applicant's per capita income into the lowest per capita income of any applicant in the group and multiplying by 40.

In calculating demographic scores, applications by cities are compared to all other cities that applied, and applications by counties (where the county is either the primary or joint applicant) are compared to all other counties that applied. Thus, two cities within the same county may have widely different scores.

Note: Demographic Scores are calculated by DCA.

Feasibility

- ◆ **CDBG Program Feasibility:** Applicants will be compared in terms of project feasibility. The following factors are considered: **1)** verification and reasonableness of cost; **2)** documentation that all project financing sources needed for the project will be available; **3)**

where applicable, documentation that preliminary engineering, architectural and or site plans have been prepared and support the proposed project; **4)** verification that any required property is available for the project; **5)** where applicable, review of any proposed recipient's or subrecipient's ability to provide administrative capacity or to undertake an approved activity; **6)** compliance with applicable state and federal laws, and **7)** reasonable project timetables.

- ◆ Wetland and floodplain maps should be included with the application to assist DCA in determining project feasibility in addition to USGS topographic maps from the 7.5 minute, 1:24,000-scale quadrangle series. All Preliminary Engineering Reports and Preliminary Architectural Reports should include an original signature and the appropriate professional stamp. Points may be deducted for feasibility without these features.

Points for feasibility will be awarded by a review panel, in accordance with the levels below, based on how well each applicant, compared to others, addresses the feasibility factors.

Level One (Not Feasible)	0.0
Level Two (Poor)	27.5
Level Three (Average)	55.0
Level Four (Good)	82.5
Level Five (Excellent)	110.0

Strategy

- ◆ **CDBG Program Strategy:** Applicants will be compared in terms of program strategy. The following factors are considered: **1)** an analysis of alternative solutions to address the identified problems and the costs of those solutions compared to the alternative chosen , **2)** as appropriate, an analysis of the steps taken by the applicant to adopt policies or ordinances to prevent the reoccurrence of the identified problem within their jurisdiction (copies of these local policies or ordinances should be included in the application when applicable to document local action on identified problems or for further explanation of local strategies); **3)** an analysis of the ongoing financial effort that the applicant has made or will make to address the identified problem and to maintain and operate the proposed project, facility or system; **4)** the extent of benefit to persons of low- and moderate-income; and **5)** multi-activity applications will also be compared in terms of the projects' support of comprehensive community or neighborhood conservation, stabilization, revitalization and the degree of resident's support and involvement.
- ◆ Competitive multi-activity applications will include a plan to address 100 percent of the target area's community development needs using the proposed CDBG funding along with other near-term sources of funding and other resources. Resources could include, for example, local code enforcement efforts as well as the implementation of other local ordinances. The application should demonstrate how CDBG funding and other planned efforts will lead to amelioration of target area community development needs within a reasonable timeframe. A project activity schedule must be included in this section of the application. See the instructions for Form DCA-5 for more information.

Points for strategy will be awarded, in accordance with the levels below, by a review panel based on how well the applicant, compared to others, addresses the strategy factors.

Level One (No Impact)	0.0
Level Two (Poor)	27.5

Level Three (Average)	55.0
Level Four (Good)	82.5
Level Five (Excellent)	110.0

Conformance with Georgia Planning Act: One of the review factors considered as a project strategy question is the conformance of the proposal with the locally adopted Comprehensive Plan, as approved by DCA. In order to demonstrate conformance, applicants should discuss on Form DCA-5 how the proposal conforms to the Plan including citations or quotes from pertinent pages of the Plan.

Service Delivery Strategy (O.C.G.A. §36-70-20): In addition, state law requires that all projects funded be consistent with the community’s adopted Service Delivery Strategy (O.C.G.A. §36-70-20). The appropriate citation of the Strategy along with any attachments and service area maps should be included in the application, along with a signed certification that the project is consistent with the Strategy. If the project is not covered by the adopted Strategy, a statement to that effect should be included in the certification.

Impact

- ◆ **Program Impact:** Applicants will be compared in terms of program impact. The following factors will be considered: **1)** the number of persons benefiting; **2)** the cost per person benefiting (the cost per person is calculated by dividing the total CDBG grant by the total number of people benefiting, i.e., the total population of the target area or the total number of projected clientele to be served); **3)** the project’s impact on the benefiting population’s quality of life, living environment or opportunities for economic advancement; **4)** an analysis of the documented severity of need; and **5)** the impact of the project on the identified need or problem.

Points for impact will be awarded by a review panel, in accordance with the levels below, based on how well each applicant, compared to others, addresses the impact factors.

Level One (No Impact)	0.0
Level Two (Poor)	27.5
Level Three (Average)	55.0
Level Four (Good)	82.5
Level Five (Excellent)	110.0

Leverage

- ◆ **CDBG Leverage of Additional Financial Resources:** Leverage includes additional resources committed to and directly related to the project, including cash above the required minimum cash match amount, the purchase with non-CDBG funds of new equipment and furnishings for buildings proposed to be constructed with CDBG funds (used equipment is not counted toward leverage), the cost of conducting housing surveys in conjunction with the Programmatic Agreement on Historic Preservation, the costs of preliminary engineering and architectural reports, the costs of CDBG application preparation, and additional grants and loans from other sources that address the applicants identified community development needs. Up to \$1,000 may be counted toward leverage if the applicant commits to paying for required audits without using CDBG resources for this effort. This commitment must be in writing and the amount committed must be specified. **Only items that would not otherwise have been provided and that are directly related to the proposed CDBG project will be counted.**

A "reasonable" value must be assigned to donated and "in-kind" items and the basis for the value assigned or claimed must be fully described and documented. Land currently owned by an applicant may be donated to the project and be counted as leverage provided the value of the land is well documented (appraisal, tax value, etc.) and the documentation is included in the application. Land donated to the project that exceeds project needs will not be counted in full. The labor of volunteers may be counted toward leverage provided the applicant provides reasonable documentation for labor hours and the value of labor per hour.

Leverage amounts will only be assigned when firm commitments from the applicable funding sources are included in the application.

Non-CDBG costs related to the proposed construction of new items which serve CDBG target area needs as well serving a larger service area (such as a new water storage facility) will be counted proportionally with the CDBG target area population serving as the numerator and the population of the service area serving as the denominator. DCA reserves the right to use a different method in calculating proportionality if required by the circumstances of an applicant's proposal.

Leverage must be for a CDBG eligible activity and the beneficiaries must be within the CDBG target area(s) unless otherwise provided in this manual (e.g., furnishings and equipment may be counted as leverage). In addition, leverage must be related to the CDBG project proposed in DCA-5 and the needs described in DCA-4.

All leveraged funds must be related and timely.

All leveraged funds must be shown on DCA-8 in items 5a, 5b, and 6 in order to be considered by DCA for leverage points. Applicants should use item 8 to explain and support the values identified in items 5a, 5b, and 6.

What is not leverage?

- ◆ On-going operation and maintenance costs are not counted as leveraged resources.
- ◆ Costs not clearly related in terms of location or benefit to the proposed project beneficiaries are not counted as leverage.
- ◆ Costs of CDBG audits above \$1,000 will not be counted as leverage.
- ◆ Contingencies will not be counted as leverage.
- ◆ Applicants are advised to justify all leverage claims.

The leverage score will be calculated as follows:

- 1) Total dollar value of leverage for each applicant will be calculated and then divided by the total population of the applicant in order to obtain a per capita leverage figure reflective of each applicant's relative effort.
- 2) Applications will be assigned to one of five groups:
 - ❖ Multi-activity
 - ❖ Housing
 - ❖ Economic Development
 - ❖ Water and/or Sewer
 - ❖ Other Public Facilities
- 3) The applications will then be ranked within these groups, based on per capita leverage amounts, from no leverage (no points) to highest per capita leverage and

points assigned based on the percentile ranking. If no applicant within any of the groups listed above has \$0 leverage, a proxy score of \$0 will be inserted to insure that if leverage is provided by the applicant a score greater than 0 will result.

- 4) Up to 25 points can be assigned for leverage of additional resources. The ranking will be established using the range of applicants' per capita leverage amounts (from 0 to the highest per capita leverage) and calculating a percentile score for each applicant's per capita leverage amount within the range. This percentile score will be multiplied times 25 to establish the points for per capita leverage. For example, if an applicant's per capita leverage amount is \$300 and if \$300 represents a percentile score of 50 percent, the leverage points will be 12.5 (.50 x 25= 12.5).

Revitalization Area Strategy Bonus Points

The Revitalization Area Strategy bonus points, procedures, and application process is more fully described in the *CDBG Revitalization Area Strategy Applicants' Manual*. Please review this manual in detail regarding bonus points under the CDBG Annual Competition. A synopsis of the Revitalization Area Strategy points and requirements are provided below. For FY2012 funds, all RAS applications, annual updates, or renewals must be submitted in full no later than April 2, 2012 in order for RAS benefits to be applicable to the 2012 Annual Competition, including but not limited to the ability to apply for CDBG funds in RAS areas every year and bonus points.

Bonus points for Revitalization Area Activities: Points will be awarded for utilizing existing state redevelopment programs, initiatives and incentives in eligible areas. Following receipt of a designation, a CDBG applicant may be awarded up to 20 points for CDBG project activities occurring completely within a DCA-approved Revitalization Area as follows:

Revitalization Area Threshold Requirement (5 Bonus Points): In order to be eligible for Revitalization Area designation and bonus points, a local government must establish a local redevelopment area and plan pursuant to O.C.G.A. 36-61-1 et seq. **Note that the RAS boundaries must be completely within both the local urban redevelopment area established pursuant to O.C.G.A. 36-61-1 et seq. and one or more Census Block Groups with a poverty rate of 20% or greater.** Additionally, the local government must describe the activities it will undertake to promote economic empowerment through meaningful job creation for the unemployed and low- and moderate-income residents as well as activities to promote the substantial revitalization of the area.

Local Redevelopment Tools (5 Bonus Points): Points may be earned through the use of such tools as State Enterprise Zones, Tax Allocation Districts, Community or Business Improvement Districts, or other geographically targeted tax or investment programs within a designated Revitalization Area. In order to receive these points, the applicant must provide the resolution or ordinance creating the redevelopment tools for which bonus points are sought. Applicants must also indicate how tools are relevant and useful to the Revitalization Area in order to receive consideration for Local Redevelopment Tools points.

Investment Partnerships (maximum of 5 Bonus Points): Points may be earned through the incorporation into the local program of certain job creation/retention, revitalization, residential improvement or social service funding programs geographically targeted to the areas of eligibility. Various programs including public programs chartered by the State of Georgia, the Georgia Housing and Finance Authority, the U.S. Department of Treasury, the SBA, the USDA, the Federal Home Loan Bank, the TVA, HUD, and DOL would be eligible. The leveraging of private funds from various philanthropic, non-profit and/or faith-based organizations will also be rewarded. In order to receive these points, the applicant must provide documentation showing a firm, long-term commitment by investment partners or a long-term commitment by the applicant to use investment partners as part of their Revitalization Area strategy. A long-term commitment by the applicant may be demonstrated by

past use of investment partners, plans to incorporate investment partners in its current CDBG project, and the necessary local capacity to use investment partners on an ongoing basis.

Collaboration (maximum of 5 Bonus Points): Points may be earned through the demonstration that initiatives will be created and/or undertaken within the eligible area by private for-profit and not-for-profit community stakeholders. Such stakeholders may include local lending institutions, community or neighborhood housing organizations, community based development organizations, community development corporations, community development entities, and other similar organizations. In order to receive these points, the applicant must show that the collaborative stakeholder organizations have a firm commitment to the community, have taken responsibility for carrying out one or more aspects of a Revitalization Area strategy, have sound financial and administrative practices, and the ability to carry out the functions for which they are taking responsibility. Such evidence will include letters of commitment, agreements, programmatic material, articles of incorporation and registration from the Secretary of State, audited financial statements or financial reviews, budgets, IRS determination letter for 501 (c) 3 status, or other evidence of capacity and commitment. Non-profits that receive \$25,000 or more in direct or pass-through federal funding during a single fiscal year are usually required to have an audit.

Revitalization Area Designation

Revitalization Areas will generally be designated or reauthorized prior to the Annual Competition application deadline through a separate designation process. The deadline for applications for benefits under the 2012 competition is April 2, 2012. **Communities seeking designation, annual updates, or renewals are strongly encouraged to meet with DCA as soon as possible to discuss their request for designation.**

Area Strategy Plan and Map – See the *CDBG Revitalization Area Strategy Applicants' Manual* for map requirements and other essential information regarding a Revitalization Area Designation.

Revitalization Area Strategies will be approved and bonus points assigned prior to and during the CDBG Annual Competition for those communities submitting requests for designation, annual updates, or renewals no later than April 2, 2012. Communities with current, approved strategies will be allowed to apply each year without waiting out a year for projects that are **completely within** the approved strategy area provided DCA's timeliness criteria are met.

Note: For Revitalization Area Strategy designation and bonus points for the FFY 2012 Annual Competition, the deadline for application submission, annual updates, or renewals is April 2, 2012. Revitalization Area Strategy Applications are submitted under separate cover. Please see the *CDBG Revitalization Area Strategy Applicants' Manual* for further detail.

Bonus Points for Readiness to Proceed

A maximum of 5 bonus points may be earned through the demonstration of a project's readiness to proceed. Points may be earned through **documentation** in the application that: 1) procurement documents/processes are ready to proceed; 2) the NEPA review and required notices for wetlands and floodplains have been completed; 3) all real-estate (including easements and right of ways) needed for the project has been acquired in accordance with applicable requirements and is available for the project; 4) all engineering and architectural plans are finalized and have been submitted to the appropriate local, state or federal authorities; and 5) contract documents are finalized and have been submitted to the appropriate local authorities. Other equivalent documentation may be provided for housing applications that demonstrate readiness to proceed upon project award.

Procurement. This bonus point refers to procurement of professional services in accord with all DCA requirements. If either the grant administrator or the architect/engineer is procured, ½ bonus point will be assigned. If both are procured, a full bonus point will be assigned. To earn ½ or 1 point under this

criterion, an applicant must provide documentation of any required advertisements and the local resolution or copies of certified minutes showing which firm(s) has been selected.

Environmental Reviews. The environmental review is complete and funds for the entire project have been released by DCA. This includes completion of the local Environmental Review Record, publication of the Finding of No Significant Impact (FONSI), the Notice of Intent to Request for Release of Funds (NOIRROF), or the Combined Notice, and the letter from DCA releasing funds for all activities. If comments from the State Historic Preservation Office (SHPO) are required before release of funds, a full bonus point will not be received unless these comments have been received and reviewed by DCA and DCA has released funds.

Acquisition Activities. A full bonus point will be given if all needed acquisition activities are complete or if the project does not require acquisition. Demonstrating that all acquisition activities are complete requires submission of deeds or other evidence of property ownership. **Remember that all property acquired in anticipation of the proposed CDBG project regardless of the source of funding is subject to URA requirements. Non-compliance with URA requirements could lead to ineligible and non-reimbursable costs.**

Architectural and Engineering Plans. To earn a bonus point under this criterion, applicants must have completed the design phase of the project and must have submitted the finished plans to the appropriate local, state or federal authorities. To document this achievement, the applicant must submit a letter from the architect or engineer stating that the design of the project is complete and listing the agencies to which the plans have been submitted along with agency contact information. Plans should not be submitted to DCA.

Contract Documents. To earn a bonus point under this criterion, applicants must have completed the design and the bid and construction document phase of the project and the project must be ready for bid with the exception of final approval by the appropriate local, state or federal authorities. To document this achievement, the applicant must submit a letter from its chief elected official stating that the project is ready for bid and listing the agencies to which the contract documents have been submitted along with agency contact information. Contract documents should not be submitted to DCA.

In order to receive consideration for bonus points, bonus points should be claimed on DCA-5. A brief narrative should be included in DCA-5 stating the bonus points claimed and the rationale for claiming the points. In addition, DCA-5 should clearly reference all documentation attached to the application that demonstrates accomplishment of the bonus point thresholds outlined above. DCA reserves the right to assign a bonus point of ½ to any bonus point threshold if an applicant demonstrates partial accomplishment of the bonus point threshold.

Final Ranking

The points received by each applicant on the rating factors will be totaled and the total scores ranked accordingly. Grant awards will be based on this final ranking to the extent funds are available. In case of ties, the applicant with the highest percentage of low- and moderate-income persons benefiting will be given priority.

Disposition of Applications

Grant commitments will be forwarded to local units of government whose applications are approved for funding. For the FFY 2012 Annual Competition, commitments should be announced approximately September 1, 2012.

Applicants whose programs are denied will be notified of the denial. DCA's decisions regarding awards

and denials will be based on the Method of Distribution as required by HUD, this Applicants' Manual, the rating and selection criteria outlined herein, and the final ranking of all applications based on the points awarded to each applicant. DCA will fund the applications in order of rank beginning with the top-ranked application until funds are depleted. DCA's funding decisions are final and DCA may waive any irregularities consistent with the Method of Distribution and this manual. After the awards, the CDBG staff will review applications with local official's staff or their designees at the request of the certifying representative of the local government.

Pre-funding Site Visits

The Department of Community Affairs may make at least one unannounced site visit to applicants during the application review process. The purpose of the visits will be to verify information contained in the application and to compare similarly proposed projects.

Technical Assistance Policy

The Department of Community Affairs will provide technical assistance on request from the unit of local government. In addition to the Applicants' Workshop, a Recipients' Workshop will take place after grant commitments have been made that will explain the fundamentals of program implementation.

Other workshops, more narrowly focused on specific topics such as contracts, financial management, acquisition, relocation, environmental review and housing may be sponsored by the Department from time to time.

Please note that although DCA staff can provide technical assistance in the form of guidance and information at the application stage, staff cannot write application proposals for local governments. The annual CDBG process is competitive. Each application is ranked relative to the entire pool of applications. Any technical assistance provided by DCA staff does not guarantee project funding.

Contents of Preliminary Engineering Reports

Preliminary planning and engineering reports generally include, but are not limited to, the following:

Executive Summary

- Brief description of Project Area needs, Conclusions and Recommendations

Introduction

- Purpose and Scope (project objectives and methodology of evaluation)
- Authorization
- Previous Studies

Background

- Target Area description
- Plans and photos of Target Area
- Population density
- Population projections (if available)
- Existing Conditions including description of needs to be addressed

Evaluation of Alternatives

- Descriptions of alternatives considered, including cost estimates of each alternative (capital, operation and maintenance & user fees)
- Street and road projects should include the advantages and disadvantages of alternative typical sections (curb and gutter versus shoulder and ditch section)
- Assessment of impacts on Target Area residents & property owners (land, right-of-way and easement acquisition requirements)

Description of Proposed Project

- Identification of applicable federal, state and local design standards
- Drainage projects should include site specific preliminary hydrologic and hydraulic calculations for each drainage shed
- Drainage projects should include a description of project outfall(s) and consideration of downstream impacts
- Required Permits
- Operation and maintenance requirements, responsible party (Grantee, GaDOT, other) and operation and maintenance capability (available staff, equipment and expertise)

Detailed Project Budget

- Construction and material costs
- Design and oversight fees
- Grant Administration
- Funding sources
- Projected Operating Revenues and Expenses (if applicable)
- Projected User Fees (if applicable)

Project Schedule

All Preliminary Engineering Reports should include an original signature and an engineering stamp. Points may be deducted for feasibility without these required features.

Contents of Preliminary Architectural Reports

Preliminary Architectural Reports generally take the following format.

Executive Summary

- Brief description of Project Area needs, Conclusions and Recommendations

Introduction

- Purpose and Scope
- Authorization
- Previous Studies

Background

- Project Area conditions including description of needs to be addressed
- Description of existing facilities, if any, including existing floor plan with all dimensions and descriptive labels for all rooms.
- Projections of future needs

Evaluation of Alternatives

- Descriptions of alternative solutions considered (new construction, renovation, additions to existing structures), including cost estimates for each alternative
- Site selection criteria
- Location relative to population served
- Adequacy of infrastructure (access, water, fire protection, sanitary sewer, storm drainage)
- Soil conditions, and topographic constraints
- Assessment of impacts on existing residents & property owners, if any

Description of Proposed Project

- Identification of applicable federal, state and local design standards
- Preliminary Site Plan showing proposed ingress – egress, vehicle circulation on-site, drop-off area, regular parking and accessible parking, service access (dumpster location with truck access, mechanical room access), extensions of utilities (water, sanitary, electric, telephone), access road improvements, emergency vehicle access
- Description of storm drainage outfall(s) and consideration of downstream impacts

- Required permits
- Detailed Project Budget
- Construction and material costs
 - Design and oversight fees
 - Grant Administration
 - Funding sources
 - Projected Operating Revenues and Expenses (if applicable)
- Project Schedule

All Preliminary Architectural Reports should include an original signature and an architectural stamp. Points may be deducted for feasibility without these required features.

Part III: Making Your Application More Competitive

This Chapter provides guidance on how to address the application rating factors of feasibility, strategy and impact. These factors represent a total maximum score of 330 points or a majority of the points available to an applicant. For an overview of the rating and selection system, see Part II, Application Review Process.

The score of an application based on feasibility, strategy and impact are determined by a DCA staff review of similar applications. Utilizing this information should make your application more competitive.

Feasibility (110 points maximum):

The following factors are considered:

- 1) verification and reasonableness of cost
- 2) documentation that all project financing sources needed for the project will be available
- 3) where applicable, documentation that preliminary engineering, architectural and or site plans have been prepared and support the proposed project
- 4) verification that any required property is available for the project
- 5) where applicable, review of any proposed recipient's or sub-recipient's ability to provide administrative capacity or to undertake an approved activity
- 6) compliance with applicable state and federal laws
- 7) reasonableness of project timetables

Some of the basic components essential in addressing project feasibility are as follows:

- Have all forms been prepared properly and properly executed?
- Are 51% or more of the beneficiaries inside the boundaries of the applicant? If not, has a joint application been proposed? If not, has DCA provided an exception in writing to this requirement?
- Make sure all activities are eligible.
- Has a CDBG National Objective been met? (Area Benefit or Limited Clientele) (70% or > L/M Income benefit)
- Have the benefit number and L/M Income percentage been accurately counted or reasonably estimated based on an acceptable survey methodology? (See Appendix C of this manual for further details on acceptable survey methodologies.)
- Has the survey methodology been described thoroughly on Form DCA-6 or in an attachment?
- Include a copy of the survey form used to determine the number of beneficiaries and the L/M percentage.
- Have all additional sources of funding been confirmed? (Match, Leverage, etc.)

- Will property acquisition be needed? If so, provide reasonable estimates of the number of parcels needed, their costs and the proposed procedures for compliance with the URA.
- Address ongoing operation and maintenance of your proposed project.
- Are all funding sources (project and programs) confirmed?
- Who will operate and staff programs, are they committed?
- Are environmental or historic preservation issues or concerns addressed?
- Will permits be required? Address all types of permits needed and indicate the time required to secure permits. (Railroad, DOT, etc.)
- System Capacity. If additional water or sewer customers will be added, please address the current system's capability to add customers.
- Address utility relocation needs and costs.
- With Water and Sewer applications:
 - Address EPD requirements.
 - Address the need for household plumbing improvements.
 - Address the feasibility of plumbing improvements.
 - Address proper abandonment of wells/septic tanks.
 - Address house connections/reconnections.
 - Address how house connections/reconnections will be paid for.
- Make sure the project schedule is reasonable.
- Clearly address and disclose any conflict of interest issue.
- Have all applicable federal laws and regulations that may be triggered by the proposed project been addressed in the application? For example, have the URA, Section 104(d), NEPA, floodplain and wetland notice, historic preservation, relocation, and Section 3 requirements been addressed as applicable?
- Insure that cost estimates are professionally prepared.
- Have all administrative, engineering and architectural, and PDC limitations been adhered to on DCA forms 7 & 8?
- Are unit costs reasonable?
- Be sure that architectural and engineering reports are signed and stamped by a certified professional.
- With Streets and Drainage projects:
 - Are design standards identified?
 - What is the standard? (Drainage standards over a 25-year flood should be explained and justified.)
 - Was a drainage study completed that includes downstream impact?
- Read all form instructions.

Strategy (110 points maximum):

The following factors are considered:

- 1) an analysis of alternative solutions to address the identified problems and the costs of those solutions compared to the alternative chosen
- 2) as appropriate, an analysis of the steps taken by the applicant to adopt policies or ordinances to prevent the reoccurrence of the identified problem within their jurisdiction (copies of these local policies or ordinances should be included in the application when applicable to document local action on identified problems or for further explanation of local strategies)
- 3) an analysis of the ongoing financial effort that the applicant has made or will make to address the identified problem and to maintain and operate the proposed project, facility or system
- 4) the extent of benefit to persons of low- and moderate-income
- 5) Multi-activity applications will also be compared in terms of the projects' support of comprehensive community or neighborhood conservation, stabilization, revitalization and the degree of resident's

support and involvement.

Some of the basic components essential in addressing project strategy are as follows:

- Accurately and clearly describe the problem and its severity.
- Document the need you describe.
- Be sure that the benefit number and cost per person is reasonable.
- The project must principally benefit L/M income persons and meet the required L/M threshold.
- Consider alternatives and propose the most appropriate and cost effective alternative. Provide costs for the alternatives not chosen and explain why the chosen alternative was the most appropriate, price and other things considered.
- Has ongoing operation and maintenance of the proposed project been addressed and documented with letters of intent?
- For area benefit projects, are the boundaries of the target area drawn so that they include the entire area of benefit? Does this area correspond to the area surveyed and addressed in DCA Form 6?
- Is the primary purpose of the proposed project to serve the needs of L/M people (as opposed to a secondary purpose or consideration)?
- With Buildings:
 - Is the proposed site accessible?
 - Is a new level of service being provided?
 - Who is the major beneficiary?
 - Is the proposed benefit number reasonable? (Project only unduplicated beneficiaries over the period of one year. For example, if a senior center has a meal program that is attended by 50 people a day Monday through Friday, the beneficiary count will be 50.)
 - Is there a similar building in the city/county?
 - Have potential environmental impacts including historic structures on site or in the vicinity, archeological sites, etc., been considered?
 - Provide a clear before and after picture of the existing and proposed facility and program, including floor plans, customers served, and programs offered. Consider using a chart to show use and times of use for activities in the proposed facility. If a new or relatively new organization will provide services in a DCA-funded facility, consider preparing a brief business plan to assist in demonstrating the organization’s capacity to provide the proposed services.
 - Focus on the needs of clients. The needs of staff are secondary unless they affect clients directly.
 - Discuss why other buildings in the community are not available.
- Provide maps that support your project, including topo maps. (See DCA Form 12 for map requirements.)
- Are the maps provided clear, assisting DCA in understanding both the needs of the target area and the strategy for addressing those needs?
- Is evidence of conformance with the Comprehensive Plan and Service Delivery Strategy included in the application?
- **HAVE THE CLARIFICATIONS REGARDING FINANCIAL ALTERNATIVES DISCUSSED IN THE DCA MEMO DATED FEBRUARY 27, 2008 BEEN ADDRESSED? SEE APPENDIX O.**
- Read all form instructions.

Impact (110 points maximum):

The following factors are considered:

- 1) the number of persons benefiting
- 2) the cost per person benefiting (the cost per person is calculated by dividing the total CDBG grant

by the total number of people benefiting, i.e., the total population of the target area or the total number of projected clientele to be served)

- 3) the project's impact on the benefiting population's quality of life, living environment or opportunities for economic advancement
- 4) an analysis of the documented severity of need
- 5) the impact of the project on the identified need or problem.

Some of the basic components essential in addressing project impact are as follows:

- How many people will benefit?
- What is the cost per person benefiting?
- How does the project impact on the benefiting population's quality of life, living environment or opportunities for economic advancement? Can you substantiate this in any way other than through a good narrative?
- Analyze the documented severity of need and the impact of the project on the identified need or problem.
- Fully describe your application's impact on the need. What percentage of the need will be met?
- With Buildings document overcrowding and other existing building inadequacies with photographs.
- **To a great extent, an applicant's impact score is determined by the documented severity of need compared to other similar applications.** The severity of need is often determined by the extent to which the need described affects the health and safety of L/M residents.
- Keep in mind that most well-written applications score well on feasibility and strategy. The impact score often makes the difference between an application that is funded and one that is not.
- Include letters from third parties that provide evidence and validation of need, such as letters from environmental health specialists, EPD consent orders/letters.
- Include letters from residents describing problems shown in the application.
- Provide accurate and detailed photographs, preferably dated, numbered and keyed to a map. Scores may be enhanced with good photographs. Photographs for housing projects should show both interior and exterior conditions; street and drainage and building photographs are critical for documenting need.
- Include reports from building inspectors on housing applications.
- Include news reports discussing problems shown in the application, if available.
- Avoid low-density population target areas, unless an extremely high need exists.
- Read all form instructions.

Additional Competitiveness Guidance

Applicants are further reminded that proposed projects compete heavily (330 out of 500 total points) on program strategy, impact and feasibility. **For this reason, applicants should supplement funding requests with engineering reports, historic assessments, market studies, etc., in order to adequately and thoroughly address feasibility, impact and strategy questions.** For example, if the historic assessment is conducted at the outset of the project, program design and cost estimates can then be based upon results of the assessment. Engineering reports also address many concerns.

See Part II, Contents of Preliminary Engineering and Architectural Reports, for information on items that should be included in preliminary engineering and architectural reports.

◆ Applicants proposing housing or reconstruction must complete a Financial Plan (see Appendix H), that summarizes proposed activities. The Plan must be attached to DCA-5.

◆ Remember that similar projects will be compared against each other and rated on strategy, impact

and feasibility. Applicants are encouraged to invest adequate time and resources to increase the chances that their community's application will compare favorably.

Part IV: INSTRUCTIONS FOR COMPLETING APPLICATION FORMS

Note that all required forms are available at the DCA web site and should be accessed from that site:

<http://www.dca.state.ga.us/communities/CDBG/index.asp>

Form DCA-1: Application Summary

Please complete DCA 1 in the following manner:

- ◆ **Items 1 - 6:** Enter name of applicant, official mailing address, DUNS number, census tract(s) and block group(s), project address, e-mail, and telephone number and area code of the city or county who is making the application. (Note: List all census tracts in the project target area. Do not specify block groups when the entire census tract is covered. If specifying block groups for a project covering more than one census tract, please indicate which tract includes the given block groups.)
- ◆ **Item 7 - 12:** Enter name, job title, agency, mailing address, e-mail, and telephone number and area code of the grant writer/contact person regarding the application. This person may be contacted during the review process to answer direct questions or to provide additional information regarding the application.
- ◆ **Items 13 - 18:** Enter name, job title, agency, mailing address, e-mail, and telephone number and area code of the grant administrator (if known).
- ◆ **Item 19:** Briefly title the program (e.g. "Target Area Water Improvements") and provide a brief description of project activities. Please include all activities and briefly quantify the described activities. A needs description is not necessary for this item. An example of a brief title and description might be:

"Provide new water lines and service connections for the Eastside Neighborhood to benefit 53 persons, all of whom are members of low-income households."
- ◆ **Items 20 - 23:** Please check the appropriate box.
- ◆ **Item 24:** An unscheduled visit to the project site will be conducted by DCA staff on all top-ranked applications that identify specific site(s) or targeted neighborhoods. Maps should be designed clearly and accurately so that the site visit team can locate the proposed target area, the existing conditions and all activities.
- ◆ **Items 25 & 26:** Enter the number of months that you anticipate implementation will require, together with beginning and ending dates for the program. A start date of October 15, 2012 should be anticipated. **Note that CDBG program requirements expect completion of all projects within 24 months.**

- ◆ **Item 27:** Enter amount of CDBG funds requested. **This amount must match the amounts on forms DCA-7 and DCA-8.**
- ◆ **Item 28:** Check box to indicate application type.
- ◆ **Items 29 & 30:** Application must be executed by chief elected official or other person authorized by resolution to submit the application. **Attach resolution.**

Form DCA-2: Proposed Accomplishments

The purpose of this form is to provide a quantified summary of the accomplishments proposed by the applicant to be undertaken with CDBG funds. Note that a similar form will be used at project completion to collect data on actual accomplishments. Be sure to make an entry for all proposed CDBG funded activities.

- ◆ **Header:** Indicate the name of the jurisdiction for which the application has been prepared. Check whether this is an Original Application form or an Amended form. Include date of amendment if applicable. DCA will write in the project number if funded. This number should be included on any amended forms. **Include the proposed accomplishments for the total grant here as well. This will usually be the total population of the target area(s).**
- ◆ **Activity and Measure Columns:** The column labeled "Activity" is a list of various possible CDBG funded activities. The column labeled "Measure" is the corresponding units of measurement used to quantify proposed accomplishments.

The only entry to these two columns by an Applicant or Recipient would be to enter the type of building (example: Senior Center, Head Start Center, etc.) or the type of "Other Public Facility" (example: Sidewalks, Gas Lines, etc.) if these types of activities are proposed.

- ◆ **Proposed Accomplishments Column:** Here the applicant must enter the actual data corresponding to each CDBG funded activity and the corresponding measure. For example, if an applicant proposes to acquire 4 structures, 5 easement parcels, and dispose of 1 parcel, *the following entry would be made:*

<u>Activity</u>	<u>Measure</u>	<u>Accomplishments</u>
Acquisition, Disposition	# structures	4
	# parcels	5/1

- ◆ **Note: See instructions for DCA-6 for detailed information on counting persons to benefit.**

Form DCA-3: Community-wide Needs Assessment

This form is no longer required.

Form DCA-4: Description of Needs to be Addressed

This form asks you to describe the needs being addressed by your grant request. The next form, DCA-5, is where you describe how those needs will be addressed through the activities funded by the grant. Please keep this distinction in mind when filling out these two forms.

- ◆ For single-activity applicants, describe the specific needs around which the program is designed within one of the following three problem areas:
 - ✓ Housing
 - ✓ Public Facilities
 - ✓ Economic Development
- ◆ For multi-activity applicants, describe the community development needs (i.e., housing, public facilities, economic development) which have been identified. In order to be competitive, all existing conditions of the proposed multi-activity target area should be described including but not limited to: housing conditions, street, drainage, water system, sewer system, etc. Need for improvement of the existing conditions should be noted and addressed in DCA 5. Identified needs not met under the program (if any) should be explained.

Form DCA-5: Description of Activities

- ◆ **Header:** Indicate the name of the jurisdiction for which the application has been prepared. Check whether this is an Original Application form or an Amended form. Include date of amendment if applicable. DCA will write in the project number if funded. This number should be included on any amended forms.
- ◆ Do not repeat information included on form DCA-4. Describe in detail each activity, identifying each activity by name and number, to be undertaken with CDBG funds. This description should be specific and provide sufficient detail concerning the nature, scope, location and purpose of activities and how they are designed in accordance with applicable law, regulation and how they relate to each other.
- ◆ Housing activities should include descriptions (narrative and photographic) for each unit proposed, including estimates of activity cost (by housing unit) as well as the basis for determining cost. Descriptions of units should illustrate problems in each unit in sufficient detail to justify projected costs.

Note: When preparing cost estimates keep in mind that the work under the program, if it is funded, may occur as far as 30 months after submission of the grant application. All housing activities are subject to the “20% Rule” that requires PRIOR DCA approval to exceed the application cost estimate by more than 20% (including change orders).

- ◆ Applicants proposing housing rehabilitation or reconstruction must complete a Financial Plan (See Appendix H) that summarizes proposed activities. The Plan must be attached to DCA-5

Note: Rehabilitation of units built prior to 1978 is required to conform to HUD Regulations 24 CFR Part 35 (Lead Based Paint Poisoning Prevention).

- ◆ Applicants are instructed to list administration as the last activity. No description is

necessary for contingencies. Architectural design or engineering, and related activities should be considered as a component of each activity and not as a part of the program's administrative costs. Please refer to the description of eligible activities in Part I of this manual and/or contact DCA staff for further guidance.

- ◆ DCA will consider activity line item (not administrative) budget requests for “extraordinary compliance or administrative measures” when the applicant can demonstrate that administrative allowances are insufficient to adequately compensate for costs such as archeological surveys, archival photographs or other unforeseen costs of complying with the Programmatic Agreement on Historic Preservation, environmental impact statements, etc., or other compliance or administrative measures necessary due to a high number of complex and complicated cases relative to property that must be acquired in order for the project to proceed. DCA will consider such requests as outlined above on a case-by-case basis and may deny or amend the request. DCA recommends that such requests be discussed with DCA prior to application submission.
- ◆ Applicants should be aware that DCA may request reviewing comments from State, Federal and other agencies involved financially or with any other interest in the proposed project. Any comment with significant adverse impact upon project feasibility or strategy may reduce the score. Applicants may choose, therefore, to solicit reviewing agency comments at the outset, and, as necessary, incorporate reviewing comments into application narratives, engineering reports, etc., prior to application submission.
- ◆ Applicants are further advised to discuss the impact proposed activities will have upon the needs identified in DCA-4. Applicants are encouraged to meet 100% of the needs identified in Form DCA-4. Multi-activity applicants should also describe how activities will interrelate with each other to address the identified need.

Applicants should also include a project implementation schedule with Form DCA-5.

The following example is included for guidance.

<u>Activity</u>	<u>Initiate</u>	<u>Completion date</u>
Award	N/A	October 2012
Complete environmental, floodplain & historic assessment etc.	November 2012	January 2013
Design water system	December 2012	April 2013
Acquisition titles & plats for easements	December 2012	February 2013
Design approvals	May 2013	June 2013
Bidding	July 2013	August 2013
Award and Construction	September 2013	March 2014
Housing rehabilitation policy	November 2012	January 2013
Applications and rehabilitation	February 2013	March 2013

Initiate & complete close-out

April 2014

June 2014

Conformance with the **Georgia Planning Act**: One of the review factors considered as a project strategy question is the conformance of the proposal with the locally adopted Comprehensive Plan, as approved by DCA. In order to demonstrate conformance, applicants should discuss on Form DCA-5 how the proposal conforms to the Plan, including citations or quotes from pertinent pages of the Plan.

In addition, state law requires that all projects funded demonstrate that the project is not inconsistent with the community's adopted **Service Delivery Strategy (O.C.G.A. §36-70-20)**. The appropriate citation of the Strategy along with any attachments and service area maps should be included in the application, along with a signed Certification that the project is not inconsistent with the Strategy. If the project is not covered by the adopted Strategy, a statement to that effect should be included in the Certification.

Form DCA-6: Low/Moderate Income Benefit and Civil Rights Data Calculation

Under the CDBG program, applications are required to have at least a 70% benefit to low- and moderate-income persons (51% for economic development and 100% for direct housing activities) for each activity (administrative and contingency budgets are excluded). Income limits are included in this manual as Appendix B. The applicant is also advised to refer to Part I of this manual for the definition of "low- and moderate-income". In addition, data must be provided to demonstrate compliance with applicable civil rights statutes. Appendix C, *Guide to Acceptable Survey Methodology*, includes a sample of an income survey form applicants may consider using.

Each step of the calculation is described below. Applicants must use Form DCA-6 for display of the information.

- ◆ In column 1 list each CDBG funded activity number. Do not include administration or contingency. If the same activity will be implemented in different areas of the community, provide a separate line for each component (i.e., Area 1 and Area 2). See Note on Activity Numbering System preceding the forms, and the numbering scheme on DCA-7.
- ◆ In column 2 show the total number of persons that the activity will serve.
- ◆ In column 3 provide the total number of minorities who will be served by the activity. "Minority" is defined as any non-white (including Hispanic) person.
- ◆ In column 4 provide the total number of non-minority persons who will be served by the activity. A "non-minority" is defined as a white person. The sum of columns 3 and 4 should equal column 2.
- ◆ In column 5 show the number of low- and moderate-income persons that the activity will serve.
- ◆ In column 6, divide column 5 by column 2 to show the percent of low- and moderate-income persons that the activity will serve.
- ◆ In column 7 show the amount of CDBG funds requested for the activity.
- ◆ In column 8 multiply column 7 by column 6 to show the amount of the funds for the activity

that will be used to benefit low- and moderate-income persons.

- ◆ At the bottom of column 7 show the total amount of funds requested by adding up the amounts for each activity.
- ◆ At the bottom of column 8 show the total amount of funds that will benefit low- and moderate-income persons by adding up the amount of funds to benefit low- and moderate-income persons for each activity.
- ◆ In box 9 determine the overall benefit to low- and moderate-income persons by dividing the total of column 8 by the total of column 7 and enter the percent in the "Total Benefit".
- ◆ Describe the methodology used to determine the number of minorities/ non-minorities and the number of low and moderate-income persons to be served by each activity. Attach additional sheets if needed and include a copy of any survey form used to determine benefit.

Applications may be considered ineligible for competition without a complete, appropriate and acceptable description of the method used.

In the case of public buildings in which a service is provided, list the current total number of persons using the facility and the number who are low- and moderate-income. **Do not provide the number of visits to the facility.** If applicable, also list the projected number of persons to be served and the number of these who are low- and moderate-income.

Also for public buildings, provide the source of the information and indicate how low- and moderate-income status is documented. Note that for certain "limited clientele" buildings, L/M income status is generally presumed to be 100%. This includes elderly persons, handicapped persons, abused children and certain other groups. Contact DCA for guidance if needed.

For certain other public buildings, including health centers, information on family size and income of center users **must** be available to document low- and moderate-income benefit.

When a survey is used to determine the number of persons benefiting and their income status, the following information at a minimum must also be provided in the methodology section of DCA-6:

- ✓ # of households in the target area (geographic area of benefit)
- ✓ # of households interviewed
- ✓ # of persons living in the households interviewed (minority vs. non-minority)
- ✓ # of low and moderate income households interviewed
- ✓ # of persons living in the low and moderate income households interviewed
- ✓ # of households interviewed in which the income was above the low- and moderate-income levels
- ✓ # of persons living in the households in which the income was above the low- and moderate-income levels
- ✓ Description of how the sample (if any) was selected and how the total number of households in the target area was determined. To be a valid sample survey the sample must be a "random sample" chosen using an acceptable methodology. Please use DCA's *Acceptable Survey Methodology* publication (see Appendix C) for guidance in this area.
- ✓ Description of how the survey was completed, including who did the interviews, when they were completed (time and day) and other details.

- ✓ **A copy of the actual survey form used must be provided.**

Note that the total number of people benefiting on DCA-6 (total of column 2) may not reconcile to the total number of people benefiting on DCA-2. Some activities are combined on DCA-2 to form larger HUD-recognized categories that DCA must use in reporting beneficiaries to HUD.

Form DCA-7: Budget Summary

- ◆ **Part A** of this form should include an assessment of CDBG funds budgeted for the project. Please review the Eligible Activities section in Part I of this manual for guidance on budgeting within appropriate line items. It is also important that each activity budget on Form DCA-7 be consistent with activity and cost summaries outlined on forms DCA-5 (activities summary) and DCA-8 (budget analysis).
 - ✓ In column (a), enter the amount allocated for each type of activity being undertaken to deal with housing need(s) funded by [Reserved], if any;
 - ✓ In column (b), enter the amount allocated for each type of activity being undertaken to deal with housing need(s) funded by CDBG, if any.
 - ✓ In column (c), enter the amount allocated for each type of activity being undertaken to deal with public facility need(s), if any.
 - ✓ In column (d), enter the amount allocated for each type of activity being undertaken to deal with economic development need(s), if any.
 - ✓ In column (e), enter the sum of amounts shown in columns (a), (b), (c), and (d) for each type of activity listed.
 - ✓ Please refer to the Eligible Activities section in Part I, Appendix A, and Appendix G, for assistance in determining the eligibility of specific activities.
 - ✓ General Administration (line 50) - Enter the eligible CDBG costs of general administration on line 50. **Do not include** Project Delivery Costs with administrative costs on line 50. These costs are to be included with line item costs for activities that are eligible for PDC's.
 - ✓ Contingencies may not exceed 10% of the grant amount shown in Part A, Line 52.
- ◆ **Part B** of this form is used to identify the total funds available (including in-kind contributions) to complete the program.
 - ✓ Line 1: Enter the CDBG grant requested from DCA.
 - ✓ Line 2: Refers to [Reserved] grants.
 - ✓ Line 3: Enter the amount of program income expected to be received (if any) and applied to program activity costs. This would include any income received from previous CDBG projects that is not reserved, by DCA approved local policy, for economic development activities.
 - ✓ Line 4: Enter the amount of other Federal grants or loans, such as Rural Development or ARC funds which will be provided in support of the program. Provide documentation of

commitment from the Federal agency whenever possible to enhance competitiveness and for calculation of the leverage score.

- ✓ Line 5: Enter the amount of local funds to be provided by the applicant (including required match amount) in support of the program. Provide documentation of commitment.
- ✓ Line 6: Enter the amount of other State funds to be provided in support of the program. Provide documentation of commitment from the State agency whenever possible to enhance competitiveness and for calculation of the leverage score.
- ✓ Line 7: Enter and identify private lender contributions or commitments
- ✓ Line 8: Enter and identify other funds, such as private commitments in support of the program. Provide documentation of private commitment to enhance competitiveness and for calculation of the leverage score.

Form DCA-8: Budget Analysis

◆ General Information

The purpose of this form is to allow applicants to describe, in detail, the resources available, or to be made available, for each activity. Applicants are encouraged to provide sufficient quantifiable data and to describe supporting efforts for the proposed program. Form DCA-8 should be backed-up by credible estimates of program cost prepared by individuals and agencies qualified to provide them.

Note that a **cash match** contribution is required of all projects except for CDBG single-activity housing applications as follows: a) 0% for amounts up to \$300,000 in CDBG funds; b) 5% for amounts from \$300,001 to \$500,000 in CDBG funds; c) 10% of amounts from \$500,001 to \$800,000 in CDBG funds.

The minimum required cash match to receive a \$500,000 grant would therefore be \$10,000, and to receive an \$800,000 grant would be \$40,000. The first \$300,000 is always match free. Although the match must be a cash match and cannot consist of in-kind services, its source can be local public funds, other state or federal funds, or private investments or contributions. Whatever the source, it must be evidenced by a firm written commitment to be counted as match (either a resolution or letter).

Match funds cannot be used for contingency costs.

Finally, please note that DCA will assign "leveraging" points for other funds and resources, over and above the required minimum cash match. All leverage claims must be listed on this form. Leverage will also include documented fees paid for planning and preliminary engineering services specific to the CDBG project paid or invoiced prior to application submission. A separate letter must be included documenting any funds/services to be included as leverage. Please see the section on *Leverage of Additional Resources* in this manual for more complete instructions on what may be counted as leverage.

◆ Line item instructions

- ✓ In **column 1**, list the activity name and number. See note on numbering system on page 55.

- ✓ In **column 2**, briefly itemize CDBG funds allocated for each activity, consistent with Section A of the Budget Summary (Form DCA-7). These brief summaries can reference additional detail that may be included in architectural or engineering reports and attached to the application. The purpose of this form is to allow a review panel to compare unit costs. Be sure to provide units and costs (i.e., "construct 5,000 SF health center @ \$75 SF -- total cost: \$375,000).

Total engineering and architectural costs must be itemized here and shown in columns 3 through 6.

Housing applications including rehabilitation activities for units constructed prior to 1978 should budget an additional 25% of the total estimated rehabilitation cost to fund compliance with lead-based paint regulations.

Sufficient detail should be provided in this column to support proposed engineering and inspection fees. Such data should include detail on proposed services, as well as estimated fees for design services, conferences, travel, resident and periodic inspections, tests, surveys, printing and reproduction, additional services, etc. Please refer to Part II of this manual that addresses *Limitations on Administrative and Professional Fees*.

Preliminary (pre-award) fees are not reimbursable. CDBG funds may not be allowed for total proposed engineering fees if sufficient justification is not provided. Documented pre-award fees paid for planning and legitimate preliminary engineering services (in-depth and well-documented studies, etc.) specific to the CDBG project may be shown as leverage in **column 5**. Fees paid for the preparation of an application may also be eligible as leverage.

- ✓ In **column 3** reference the CDBG cost, if any, for each item shown in column 2. If the item in column 2 will not be paid for with CDBG funds, indicate by placing a -0- in column 3.
- ✓ In **column 4** reference the [Reserved] cost, if any, for each item shown in column 2. If the item in column 2 will not be paid for with [Reserved] funds, indicate by placing a -0- in column 4.
- ✓ In **column 5a** show the amount of "other funds", match and leverage (not CDBG) that will be used to pay for itemized costs. The source of these funds should be identified on column 5b
- ✓ For competitive reasons, applicants are encouraged to obtain credible estimates for all costs. Examples of "other funds" could be: a) local government, b) federal agency, c) private sector, d) program income or e) state agency.
- ✓ In **column 6**, enter the total amount of funds available to carry out the proposed activity. On each page of DCA-8 use **block 7a** to subtotal columns 4, 5 and 6. On the final page, use block 7b to total all pages.
- ✓ For an explanation of leverage contributions or other actions in support of the project, please use block 8 (the space at the bottom of Form DCA-8). Be specific. Attach clear commitments from the appropriate agencies. **IN ORDER TO BE CONSIDERED FOR CREDIT FOR LEVERAGE CONTRIBUTIONS, A VALUE MUST BE PLACED ON**

THESE CONTRIBUTIONS IN COLUMN 5. The following is an example of how Form DCA-8 may be completed

The following is an example of how Form DCA-8 may be completed:

(Space Intentionally Left Blank)

<u>1</u> <u>Name/Number</u>	<u>2</u> <u>Itemized Unit</u> <u>Cost</u>	<u>3</u> <u>CDBG Funds</u>	<u>4</u> <u>[Reserved]</u> <u>Funds</u>	<u>5</u> <u>Other</u> <u>Funds</u>	<u>6</u> <u>Total</u>
A-03j-01 Waterlines	Construction	\$300,000 (see Eng. Report)		\$10,000 (Local Cash)	\$310,000
	Engineering and inspection, etc. (See Eng. Report)	\$30,000		-0-	\$30,000
	Administration & Audit	\$13,000		-0-	\$13,000
	Resurfacing at culvert locations by DOT (see DOT letter)	-0-		\$10,000 GA DOT	\$10,000
	ROW Restoration, etc.			\$10,000 Any Town	\$10,000
7.	Totals	\$343,000	-0-	\$30,000	\$373,000
8.	Narrative for Match and Leverage Funds: The City of Any Town will use its crews to perform fine grading and grassing, right of way restoration, clean-up, etc. This cost is estimated at \$10,000. Please see attached letter. Also see attached letter committing local cash and the 8. attached letter from GA DOT.				

Form DCA-9: Environmental Review Checklist

Note: This form is self-explanatory.

Form DCA-10: Certified Assurances

Note: This form is self-explanatory. Be sure to attach a description of any possible conflict of interest situation and a copy of the resolution authorizing submittal of the application.

**BE SURE THAT THE CHIEF ELECTED OFFICIALS THOROUGHLY
REVIEWS THIS DOCUMENT BEFORE HE OR SHE SIGNS IT.**

Form DCA-11: Cooperating Agreement

Note: This form is self-explanatory.

Form DCA-12: Maps

Applicants must submit map(s) that are clearly legible and will enable DCA staff to find the proposed activity site(s) without local assistance during a site visit.

All map(s) must include a scale, north arrow and legend. More than one scale of map may be used to show detail, but all scale(s) must be indicated on the respective maps. A larger community-wide map should indicate the boundary of the area represented by more detailed maps. More than one type of requested information can be included on a map if it is clearly legible. A legend must be included to indicate what different colors or patterns represent.

Maps must, at a minimum, include the following information:

- ◆ Project activity location(s). For housing and multi-activity projects this includes all existing conditions described on Form DCA-4 and the proposed improvements identified on Form DCA-5 (i.e., house-by-house analysis of renter/owner, occupied/vacant, standard/deteriorated/dilapidated, acquisition/relocation/demolition, conventionally-built/manufactured homes, lot sizes, etc.). **All project activity maps should include existing land use information, i.e., lot lines, housing, commercial, and industrial units, and if possible, whether units are owner or renter occupied.**
- ◆ For public facility activities show the locations of facilities proposed, together with the location(s) of facilities to be replaced. For centers, show existing and proposed locations;
- ◆ Project activity service area(s);
- ◆ Location of areas of concentration of low- and moderate-income persons, including number and percentage of these persons, if available;
- ◆ Locations of areas of concentrations of minorities, including number and percentage, if available; and
- ◆ Location of areas of concentration of substandard and deteriorated housing, including number and percentage, if available.

Note: In cases where data on areas of concentration are not available, such as when low- and moderate-income persons, substandard housing units and/or minority people are dispersed throughout the community, indicate this on the map's legend; and 1) display the location of the proposed activity(s)

and its service area; 2) indicate the numbers and percent of L/M income families, minorities and substandard housing located within the jurisdiction making application; and 3) provide the same data for the CDBG service area(s).

Any required information excluded from required maps may lead to a reduction in the strategy score.

In order for review panels to assess feasibility, strategy and compliance with floodplain and wetland requirements, applicants are encouraged to submit with their applications USGS topographic maps from the 7.5 minute, 1:24,000-scale quadrangle series.

Form DCA-13: CDBG Disclosure Report

All applicants must complete and submit Parts I and II of the Disclosure Report. At the completion of Part II of the report, some applicants will find that they must complete Parts III, IV, V and VI of the Report.

Part I requires the applicant's name, address, phone number; indication as to whether this is an initial report or an update; the amount of CDBG funds being requested; the amount of any CDBG program income that will be used with the CDBG grant; and the total amount of CDBG assistance.

Part II asks two questions. If the answer to both questions is "no," the applicant must provide the certification at the end of Part II but is not required to complete the remainder of the report. If the answer to either question is "yes" then the applicant must complete the remainder of the Report.

Part III requires information on any other Federal, State and/or local assistance that is to be used in conjunction with the CDBG project.

Part IV requires the identification of interested parties. Interested parties are persons and entities with a reportable financial interest in the project. If an entity (such as a corporation, partnership, etc.) is being disclosed, the disclosure in Part IV must include an identification of each officer, director, principal stockholder or other official of the entity. Please indicate if the person or entity is a "sole proprietorship." All consultants, developers or contractors involved in the application for CDBG assistance, or in the planning, development or implementation of the project, must be identified as an interested party. Also, any other person or entity that has a pecuniary interest in the project that exceeds \$50,000 or 10 percent of the CDBG assistance, whichever is lower, must be listed as an interested party. Pecuniary interest means any financial involvement in the project, including (but not limited to) situations in which a person or entity has an equity interest in the project, shares in any profit on resale or any distribution of surplus cash or other assets of the project or receives compensation for any goods or services provided in connection with the project. (The following are not considered interested parties: local CDBG administrative staff, recipients of housing assistance, and rehabilitation contractors as long as the rehabilitation agreement is between the property owner and the contractor.)

Part V requires applicants to identify the sources and uses of all funds to be used in conjunction with the CDBG funded project. The sources and uses must include all the other assistance identified in Part III as well as the CDBG funds identified in Part I, items 3a, and 3b).

Part VI requires the certification of the Chief Elected Official.

PART V: APPLICATION FORMS

Index to Forms

<i>Form</i>	<i>Title</i>	<i>Page</i>
N/A	Note on Activity Numbering System	61
DCA-1	Application Summary	DCA-1
DCA-2	Summary of Proposed Accomplishments	DCA-2
DCA-4	Description of Needs to be Addressed	DCA-4
DCA-5	Description of Activities	DCA-5
DCA-6	Low- and Moderate-Income Benefit and Civil Rights Data Calculation	DCA-6
DCA-7	Budget Summary	DCA-7
DCA-8	Budget Analysis	DCA-8
DCA-9	Environmental Review Information	DCA-9
DCA-9A	DNR/HPD Environmental Review Form	DCA-9A
DCA-10	Certified Assurances	DCA-10
DCA-11	Cooperating Agreement	DCA-11
DCA-12	Map(s)	DCA-12
DCA-13	CDBG Disclosure Report	DCA-13

Note on Activity Numbering System

The activity number is used in this application on the Description of Activities (DCA-5), Low- and Moderate-Income Benefit and Civil Rights Data Calculation (DCA-6), the Budget Summary (DCA-7), and the Budget Analysis (DCA-8). In all instances, the activity should be referred to both by the activity number and activity name, as it appears on the Budget Summary (DCA-7).

The activity number system has two components:

- The prefixes indicate the purpose of the activity as follows:
 - A = Administration
 - C = Contingencies
 - E = Economic Development
 - H = Housing
 - P = Public Facility
 - T = Engineering
 - S = Architecture

- The second component is the budget code. The codes can be found on the Budget Summary Form (DCA-7). Every code is comprised of three (3) alpha or numeric characters followed by a hyphen and then two (2) additional numeric characters. This code indicates the type of activity.

For example:

- P-001-00 = Acquisition of Property for a Public Facility
- H-001-00 = Acquisition of Property for Housing
- A-21A-00 = Grant Administration
- C-022-00 = Contingencies