

MEMORANDUM

To: DCA Board Members, County Commission Chairs, Mayors, RDC Executive Directors, Interested Parties

From: Mike Beatty, Commissioner *MB*

Date: March 6, 2009

Subject: CDBG Funding Under the Federal Stimulus Package

As many of you are aware, the new American Recovery and Reinvestment Act of 2009 (ARRA) contains a total of \$1 billion nationwide for the Community Development Block Grant (Stimulus CDBG) Program. Although there are details concerning the Stimulus CDBG that we have yet to be provided, we do know that Georgia's *non-entitlement* share of the CDBG stimulus funds will be \$10,866,994 and that eligible local jurisdictions will be determined through the FFY 2008 national formula criteria (i.e., if you were an "non-entitlement" community eligible for state CDBG in FFY 2008, you are an eligible non-entitlement community for purposes of the state's Stimulus CDBG).

**Impact on the CDBG/CHIP Annual Competition Applications due April 1, 2009**

The CDBG stimulus dollars will have *no* impact on the 2009 Annual Competition. However, we ask that CDBG applications that are submitted April 1 provide as much information as possible regarding the readiness of the proposed project to proceed to bid. We are asking for this information because DCA may invite viable, unfunded projects from both the 2008 and 2009 Annual Competitions as potential applicants for stimulus funds. Note that ARRA requires the state to give priority to projects that can award contracts based on bids within 120 days from the date the funds are made available to Georgia.

**Special Competition Planned for Stimulus Dollars**

In order to receive CDBG stimulus dollars, DCA must file a plan for use of these dollars with HUD and obtain HUD's approval. DCA is currently developing this plan and will be publishing this plan for public comment and submission to HUD in the next few days. We will also post the plan and other announcements, guidance, news, forms, manuals, etc. concerning the Georgia CDBG Stimulus Program at the following link:  
<http://www.dca.state.ga.us/communities/CDBG/programs/cdbgstimulus.asp>



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Although DCA must file a plan and receive an approval for the plan before we are able to award funds, we are now outlining below basic policies that will be included in Georgia's plan for CDBG Stimulus Competition:

- Grant applications for CDBG non-entitlement stimulus dollars will be due to DCA on June 1, 2009. Applications for the Stimulus Competition must arrive at DCA's offices by close of business (5:00 P.M.) this date or be U.S. Postmarked by this date.
- ***Projects must be CDBG eligible and meet one of the three National Objectives.***
- DCA will give priority to those projects that can award contracts based on bids within 120 days from the date the funds are made available to Georgia.
- All CDBG non-entitlement communities are eligible to apply under the Stimulus Competition regardless of whether or not they were funded (or will be funded) during the 2008 or 2009 Annual Competitions. DCA reserves the right to deny stimulus applications based on slow performance, unresolved findings, outstanding sanctions, and other reasons that could affect an applicant's ability to successfully and expeditiously complete the expenditure of CDBG stimulus dollars.
- Only one Stimulus Competition application will be allowed per community.
- Generally, DCA will use the same review criteria used for the CDBG Annual Competition. However, DCA will give more weight to the Feasibility criteria than to other criteria due to the ARRA language that requires timely expenditure of funds. Types of projects that are most likely to be funded include the following:
  - Job creation of permanent jobs for low- and moderate-income persons;
  - Acquisition of real-estate or easements is complete or not needed;
  - Required permitting is complete or not needed;
  - Architectural and engineering designs are complete and approved;
  - All State and local permitting is complete and approved;
  - All National Environmental Policy Act (NEPA) environmental review requirements are complete; and
  - No Phase I or II Environmental Site Assessment issues (i.e. liability) exist.
- Project amounts will be limited to \$500,000.

If applicants wish, they may begin preparing CDBG Stimulus applications using DCA forms located in the 2009 CDBG Applicants' Manual. These forms may also be located at the following link:

<http://www.dca.ga.gov/communities/CDBG/programs/CDBGforms.asp>.

Further guidance will be issued as soon as possible. Please keep up-to-date on DCA's CDBG Stimulus Program by regularly consulting the link provided on page one of this memorandum. For further information, contact Brian Williamson at (404) 679-1587. We thank you for your interest in DCA's stimulus program and look forward to your questions.