

Appendix E

Supplemental Information and Documentation

CDBG APPLICATION SUPPLEMENTS
For Public Facility Infrastructure Projects

THIS APPLICATION SUPPLEMENT IS DESIGNED TO ASSIST IN APPLICATION PREPARATION, BUT IT IS NOT A SUBSTITUTE FOR READING THE APPLICANTS' MANUAL AND OTHER APPLICABLE LAWS AND REGULATIONS IN THEIR ENTIRETY.

- 1. Project costs should be documented and verified through original source documents, i.e., preliminary engineering reports for public infrastructure (water, sewer, streets, and/or storm water management projects); and a certified appraisal for acquisition of property.**
- 2. The balance of funding should be verified and committed in writing by an authorized official.**
 - Commitment(s) should be very specific and should reconcile with the project narrative (DCA-4 and DCA-5) and budget information (DCA-7 and DCA-8).
 - Written commitment(s) are needed for cash contributions as well as in-kind contributions and should be signed by an authorized official.
 - Written commitments are needed as well for maintenance and operation. Commitments should be signed by an official that is authorized to commit funding.
- 3. Preliminary engineering or site plans have been prepared and support the proposed project.**
 - PERs should be detailed and at a minimum should include such information as described under "feasibility" in the FFY 2017 CDBG Applicants' Manual.
 - Specific issues the review panel expects to be addressed :
 - Water and/or sewer projects include at a minimum:
 - Any required permits
 - System capacity
 - Operation/Maintenance (who will operate and maintain; provide credentials of administrative ability to operate and maintain)
 - Utility relocation needs/costs
 - Need for household plumbing improvements and feasibility of same
 - EPD requirements for new systems
 - Proper abandonment of wells and/or septic tanks
 - House connections/reconnections (as applicable)
 - Acquisition (whether needed or not needed; and, if needed, the estimated number of parcels and compliance with the Uniform Relocation Act regardless of funding source – CDBG and/or local funds should be budgeted for this purpose)

- For Streets and Drainage projects (in addition to any applicable items mentioned above):
 - Design standards identified
 - Drainage studies that include downstream impacts
 - Design Development Report and/or Plans and Specifications approved by DNR/EPD, DOT and/or other permitting agency and certified by engineer (as applicable) for projects already being designed indicates a higher level of project readiness
 - Cost estimates should be professionally prepared and certified by a professional engineer
 - PER should be signed and stamped by a professional engineer or architect.
- 4. Verification that any required property is available for the project.**
- Is property acquisition applicable? If so, it should be addressed in the narrative whether needed or not. The estimated number of parcels should be stated. Compliance with the URA is required regardless of the funding source (CDBG and/or local funds should be budgeted for this purpose)
 - Documentation of control of all real estate needed for the implementation of the project (i.e., Purchase Options or Sales Agreement, etc.)
- 5. As applicable, the proposed recipient's credentials should be included to provide evidence of their administrative capacity to undertake an approved activity, ex.**
- Water systems
 - Sewer systems
- 6. Compliance with applicable state and federal laws**
- Evidence of conformance with the Comprehensive Plan
 - Evidence of the project being consistent with the community's adopted Service Delivery Strategy – please provide a copy of SDS with service area maps and any attachments.
 - SEE APPLICANTS' MANUAL FOR ALL OTHER APPLICABLE LAWS AND REGULATIONS.
- 7. Project timetables.** A maximum of 24 months is acceptable to complete a proposed infrastructure project.
- 8. Number of persons to benefit**
- CDBG cost per person
 - Primary benefit to LMI persons? At a minimum, the project must benefit 70% LMI persons.
- 9. Describe the impact of the project on the identified need.**
- Discuss alternatives considered. Discuss why the proposed scope of work was determined to be the best alternative.
 - Will the proposed project improve the quality of life or living environment of persons in the target area?
- 10. Describe the severity of the problem, especially as it impacts people.**
- Document the described need by qualified persons (such as a letter from the health department sanitation specialist for contaminated wells; a letter from the U.S. Postal carrier and/or school bus driver for bad driving conditions; letters

from people that are impacted by the described inferior conditions).

11. As appropriate, an analysis of the steps taken by the applicant to adopt policies or ordinances to prevent the recurrence of the identified problem.
12. Discuss the ongoing financial effort that the applicant has made or will make to address the identified problem(s) and to maintain and operate the proposed project, facility, or system.

CDBG APPLICATION SUPPLEMENTS
For Public Facility - Building Projects

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1. **Project construction costs should be documented** in the preliminary architectural report for buildings. Site acquisition costs should be documented by a certified appraisal or purchase option.
2. **The balance of funding is verified and committed in writing by an authorized official.**
 - Commitment(s) should be very specific and should reconcile with the project narrative and budgets.
 - Written commitment(s) are needed for cash contributions as well as in-kind contributions and should be signed by an authorized official.
 - Program Operation costs (staff salaries) should be committed in writing.
 - An original, signed statement from the agency responsible for maintenance of the building should be included.
 - An original, signed statement from the agency responsible for the operation of the building (utilities, custodial) should be included.
3. **Preliminary architectural report has been prepared and supports the proposed project.**
 - PAR should include at a minimum items listed in the CDBG Applicants' Manual.
 - Specific issues the review panel expects to be addressed :
 - Itemized construction costs
 - Any required permits
 - Any extra costs for site utilities
 - Design Standards – ADA, etc.
 - All rooms and offices should be clearly identified by use (for both current facilities, if applicable, and for proposed facilities)
 - PAR should be professionally prepared and signed & stamped by a licensed architect.
4. **Verification that any required property is available for the project.**
 - Is property acquisition applicable? If so, it should be addressed in the narrative whether needed or not. The estimated number of parcels should be stated. Compliance with the URA is required regardless of the funding source (CDBG and/or local funds should be budgeted for this purpose).
 - Documentation of control of all real estate needed for the implementation of the project (i.e., Purchase Options or Sales Agreement, etc.).
5. **As applicable, the proposed sub-recipient's credentials should be included to provide evidence of their administrative capacity to undertake an approved**

activity.

- Such as a non-profit
- *Note that preparing a brief business plan may be important if the organization providing the service is not well established. DCA will review the sustainability of all proposals from both a building maintenance perspective and a program maintenance perspective.*

6. Compliance with applicable state and federal laws.

- Evidence of conformance with the Comprehensive Plan
- Evidence of the project being consistent with the community's adopted Service Delivery Strategy – please provide a copy of SDS with service area maps and any attachments.
- SEE APPLICANT'S MANUAL FOR ALL OTHER APPLICABLE LAWS AND REGULATIONS.

7. Project timetables.

8. Number of persons to benefit.

- Cost per person
- Primary benefit to low/moderate income persons?

9. Describe the impact of the project on the identified need.

- Discuss alternatives considered
- Discuss why the proposed scope of work is the best solution

10. Describe the severity of the problem, especially its impact on the people and/or residents as applicable.

- Document need with letters from clients, future clients and qualified persons (such as Program Directors).

11. As appropriate, an analysis of the steps taken by the applicant to adopt policies or ordinances to prevent the recurrence of the identified problem.

12. Discuss 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.

CDBG APPLICATION SUPPLEMENTS
For Neighborhood Revitalization Projects

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1. Project costs should be documented for all activities:
 - a. **Rehabilitation** cost estimates should include work descriptions detailed enough to justify the proposed costs. Remember that the rehabilitation will take place as many as 30 months from the date of application submission, so please budget accordingly. If temporary relocation will be needed, include the amount estimated (with justification) in the line item cost for rehabilitation.
 - b. **Lead hazard control must be budgeted for pre-1978 units.** Add 25% of the estimated cost of rehabilitation to the budget for all pre-1978 units. This amount should be based on the estimated hard cost of rehabilitation for the unit (do not include PDC or temporary relocation in the computation of lead hazard control costs). In your application you should demonstrate basic knowledge of the requirements of the lead regulations (see 24 CFR part 35 subpart J).
 - c. **Reconstruction** cost basis must be justified using local cost indices where possible. Feasibility test forms should also be completed for each unit planned for reconstruction
 - d. **Downpayment/Closing Cost Assistance** should be justified and the basis for budgeted amounts provided. Gap financing is a suggested mechanism to determine individual benefits. Lead regulations also impact this type assistance for pre-1978 units (see 24CFR part 35 subpart K).
 - e. **Acquisition** costs must include justification/documentation of methods used for budgeted amounts.
 - f. **Relocation** costs must be documented. All permanent relocation must be proposed in accordance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended, and as implemented by DOT regulations 49 CFR Part 24. Additionally, 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.
 - g. **Clearance/Demolition** costs must include justification/documentation of methods used for budgeted amounts.
2. **Building and Rehabilitation standards should be identified.** Describe standards that the program will achieve when undertaking rehabilitation and reconstruction. If different standards will be allowed, clearly describe when/how each standard will be applied.

3. **If Rental Units are targeted** include written commitments from owners indicating interest and understanding of their required participation. A competitive application will have the owner investing at least 50% of the rehabilitation cost into the unit. Additionally the application should address how the program will ensure that any rehabilitated rental unit will be available to low/moderate income renters over the term of the rehabilitation loan agreement and rent regulatory agreement.
4. **Financial Participation.** A clear, concise formula for financial participation by property owners should be included.
5. **Financial Plan Form.** See appendix H in the Applicants' Manual. This form must be completed and included in DCA-5.
6. **Partner Confirmation.** Written confirmation of commitment to the program for all partners in the proposed project is needed, especially local financial institutions and lenders who will provide specific amounts they will make available to eligible participants.
7. **Strategy.** The application should include a comprehensive needs assessment for the geographic area proposed. For Target Area projects, all infrastructure and housing conditions should be described in detail. All identified needs for improvement should be addressed. Unmet needs the project will not address should be discussed and explained. For single activity proposed projects, the methods by which the participants were chosen should be discussed. Evidence that participation will be achieved in a fair and equitable manner is encouraged.
8. As applicable, the proposed sub-recipient's credentials should be included to provide evidence of their administrative capacity to undertake an approved activity
 - Such as a non-profit
9. Compliance with applicable state and federal laws
 - Evidence of conformance with the Comprehensive Plan
 - Evidence of the project being consistent with the community's adopted Service Delivery Strategy – please provide a copy of SDS with service area maps and any attachments.
 - SEE APPLICANTS' MANUAL FOR ALL OTHER APPLICABLE LAWS AND REGULATIONS.
10. **Project timetables.** Include a realistic timetable for project milestones and goals.
11. **Number of persons to benefit**
 - Cost per person
 - Primary benefit to low/moderate income persons?
12. **Describe the impact** of the project on the identified need.
 - Discuss alternatives considered
 - Discuss why the proposed scope of work is the best.
13. **Describe the severity of the problem** especially on the people and/or residents as

applicable.

- Document need by qualified persons (such as a health department sanitation specialist for contaminated wells)
14. **Analysis** of the steps taken by the applicant to adopt policies or ordinances to prevent the recurrence of the problems identified.
 15. **Photos.** Include photos of needs and problems described for each unit proposed for rehabilitation, reconstruction and infrastructure needs. Photos of individual units should include both exterior and interior photos as applicable to problems described.
 16. **Maps.** Include comprehensive maps of entire geographic area to be served that key occupancy, condition, type and proposed activity.

For multi-activity projects, all of the above PLUS the information included on the “CDBG Application Supplements for Infrastructure Projects” should be included.

**CDBG APPLICATION SUPPLEMENTS
FOR ECONOMIC DEVELOPMENT PUBLIC INFRASTRUCTURE
PROJECTS**

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LAWS AND REGULATIONS IN THEIR ENTIRETY**

EXHIBITS WHICH SHOULD BE INCLUDED:

- A. Local Government's Most Recently Audited Financial Statement.**
- B. Source and Use Statement** (see sample format).
- C. Design Development Report and/or Plans and Specifications** (as applicable).
Approved by DNR/EPD, DOT and/or other permitting agency and certified by engineer.
- D. Cost Estimate** certified by engineer or architect.
- E. Commitment Letters** **1)** from business(es) indicating the number of full-time jobs to be created/retained, the percentage of jobs that will be held for low and moderate income persons and the private investment; **2)** from participating financial institution(s) indicating the amount, rate, term, and any contingencies associated with financing being made available to the participating business; and **3)** from any other financing source(s) indicating funds available for the balance of the infrastructure cost (if any). (See sample formats)
- F. Business Synopsis**
Provide a brief history and description of the business that will benefit from the project. Also, indicate: *who* will receive benefits from the infrastructure; *what* endeavors the business will undertake as a result of the provision of the infrastructure; *where* it will undertake the endeavor; *when* it will undertake the project; and *how* it will finance the project.
- G. Description of New Jobs** created by salary range and skill level required (include benefits available, such as health, retirement, leave, etc.).
- H. Documentation** that the business has control of all real estate needed for the implementation of the project (i.e., Purchase Options or Sales Agreement, etc.).

NOTE:

If ultimately funded, private for profit businesses that will benefit from an EIP financed public facility or infrastructure investment will be required to purchase and have issued to DCA an irrevocable letter of credit (L/C) or some other instrument of surety acceptable to DCA, which will warrant the businesses' commitments to invest and create employment opportunities. The L/C or surety amount will be equal to the EIP grant amount and will collateralize an economic development agreement which will be required if the project is funded. For further information on the requirement, contact the Employment Incentive Program Manager at (404) 679-1589.

**CDBG APPLICATION SUPPLEMENTS
FOR ECONOMIC DEVELOPMENT DIRECT LOANS**

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EXHIBITS WHICH SHOULD BE INCLUDED:

- A. **Synopsis of Project Indicate:** *who* will receive benefits of EIP financing; what *the* EIP proceeds will be used for; the amount of financing needed to implement the total project; where the project will take place; when *the* project will be implemented; and *how* the EIP financing will be packaged and administered.
- B. **Business Plan** Provide a business plan and brief history and description of the business. Include information concerning: the type of business, products, marketing information, major customers, competitive position in the industry, size of the market, primary competitors, stability of the market, seasonality of the market, price/quality of product, major distribution channels, etc.
- C. **Source and Use Statement** (see sample format).
- D. **Purchase Option or Sales Agreement** on any real estate needed to undertake the project.
- E. **Appraisal(s)** of any real estate to be financed.
- F. **Plans, Written Cost Estimates and Proposals** on all proposed construction, renovation. For machinery & equipment purchases include **Price Quotes** from appropriate vendors.
- G. **Financial Commitment Letter(s)** from participating financial institution(s). The letter(s) should indicate the amount, rate, term, and any contingencies associated with the financial institution's loan. (See sample format)
- H. **Commitment Letter(s)** from participating business(es). The letter(s) should indicate the number of full-time jobs that will be created/retained and the percentage of the jobs that will be held for low- and moderate-income persons. (See sample format)
- I. **Description of New Jobs** by salary range and skill level required (include benefits available, such as health, retirement, leave, etc.).
- J. **List of Available Collateral** with prior liens and mortgages noted.
- K. **Financial Statements** Provide balance sheets and income statements for the past three years. Also provide a pro-forma balance sheet and projected income statements for one year or until break even point is achieved. If financial statements are unaudited, also provide copies of company's federal tax returns and related schedules.
- L. **Interim Financial Statements** (less than 90 days old).
- M. **Cash Flow Projections.**
- N. **List of Affiliates or Subsidiaries** Organizational documents for applicant company and Certificate of Existence on corporations from Secretary of State's Office.

- O. Resumes of Principals & Key Management Personnel**
(Include Social Security Number(s)).
- P. Personal Financial Statement** of the owner or each partner or stockholder owning 20% or more of the voting stock in the corporation.
- Q. Schedule of Existing Debt** (see sample format).

**ECONOMIC DEVELOPMENT AND EMPLOYMENT INCENTIVE PROGRAM
SUPPLEMENTAL INFORMATION AND DOCUMENTATION**

Applicant: _____

CDBG Amount Requested: \$ _____

Total Project Cost: _____

1) JOB CREATION/RETENTION

- total number of existing jobs: _____
- total number of jobs to be created: _____ *
- total number of jobs to be retained: _____ **
- number of jobs created for low/mod income persons: _____ ***
percent of total: _____ %
- number of jobs retained for low/moderate income persons: _____ ***
percent of total: _____ %
- CDBG dollars per job created: \$ _
- CDBG dollars per job retained: \$ _

Describe the methodology to be utilized for ensuring the number of jobs listed above for low and moderate income persons: (provide documentation where applicable). Applicants should note that jobs paying minimum wage do not necessarily qualify as low and moderate income jobs. Individual family income levels adjusted for family size at the time of application for employment determine qualification.

- * permanent full-time positions of at least one year's duration (except in certain cases of agricultural businesses whose operations are necessarily seasonal, DCA will consider as permanent any full-time job of at least twelve (12) consecutive weeks' duration, and will count it as the equivalent of one-fourth (1/4) of a permanent job).

For example, if an agricultural business proposed to employ 100 persons, each for twelve (12) full-time consecutive weeks, the number of jobs created would be counted as 25. Likewise if 100 persons were to be employed each for 24 full-time consecutive weeks, the number of jobs created would be counted as fifty (50).

- ** For retained jobs, the application should contain summary information on the number and percent of the retained jobs which are held by low and moderate income individuals. This would normally require that workers be surveyed prior to the application being submitted.
- *** Should meet the 51% minimum benefit to low and moderate income persons (i.e., at least 51% of the jobs created or retained must be for low and moderate income persons).

2) UNEMPLOYMENT DATA*

- number of persons in the workforce unemployed: _____
- percent of persons in workforce unemployed: _____%
- source of data _____ (provide documentation)

Analyze and describe the impact on unemployment, both in actual numbers and percentages, of the proposed project:

- *This data should be for the applicant's jurisdiction. If other, please note and explain.

3) PRIVATE INVESTMENT*

- dollar amount of private investment: \$ _____
- source(s): _____

- private investment as percent of total project: _____%
- private to CDBG funds leverage ratio: _____
- private to CDBG/other public funds leverage ratio: _____

*private investment must be documented by letters of commitment.

4) OTHER PUBLIC INVESTMENT*

- amount: \$ _____
- source(s): _____

- other public investment as percent of total project: _____%

*other public investment must be documented by grant awards, grant commitments or letters of commitment.

5) ESTIMATED TAX REVENUE

- total estimated taxes to be generated (for one year)

Local taxes: \$ _____
State taxes: \$ _____
Federal taxes: \$ _____

- taxes generated per CDBG dollar requested: \$ _____

Describe the methodology for calculating the estimated tax from each source:

6) RECAPTURE PROVISIONS

Describe the rate, terms, period and other applicable elements of the grant repayment (be specific and detailed); also describe what entity will be responsible for servicing the EIP/CDBG loan:

Any direct assistance to private for profit entities must be "recaptured".

7) USE OF PROGRAM INCOME ("Recaptured Funds")

Describe the proposed use of the program income (be specific and detailed); also describe what local agency, staff member, or department will have oversight responsibilities for recaptured funds.

8) COMMITMENT LETTERS

All applications must be accompanied by letters of commitment from participating financing entities, other participating agencies and the private sector partner (developer, industry, company, business, corporation, etc.).