



CDBG Grant Application Handbook

Program Year 2018-2019



Multipurpose Recreational Facility: Fallon Nevada

Nevada Governor's Office of
ECONOMIC DEVELOPMENT

THIS PAGE INTENTIONALLY LEFT BLANK

PROGRAM SUMMARY

PROGRAM:	Community Development Block Grant Program
FEDERAL RESOURCE:	U.S. Department of Housing & Urban Development
STATE ADMINISTRATOR:	Governor's Office of Economic Development Peter J. Wallish, Director Rural Community & Economic Development 775.687.9911 pwallish@diversifynevada.com
CONTACT PERSON(S):	Jean L. Barrette, CDBG Program Administrator 775.687.9919 jbarrette@diversifynevada.com Jessica N. Sanders, CDBG Program Specialist 775.687.9920 jnsanders@diversifynevada.com
ELIGIBLE RECIPIENTS:	15 Non Metro Counties; 11 Rural Incorporated Cities & Carson City City/County
GRANT AWARDS:	Grant Awards made July 1 st .

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

Section I: Objectives and Purpose.....	7
Section II: Federal & State Goals.....	8
Section III: General Information.....	9
Section IV: Selection System.....	20
Appendices.....	28
i. Template: Public Notice #1	
ii. Template: Public Notice #2	
iii. Template: Public Notice #3	
iv. Project Rating Form	
v. Technical Review Form	

THIS PAGE INTENTIONALLY LEFT BLANK

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

SECTION I: OBJECTIVES AND PURPOSE

The CDBG Program is administered by the Department of Housing and Urban Development (HUD) and is authorized by Title I of the Housing and Community Development Act (HCDA) of 1974, as amended. The primary objective of the Community Development Block Grant Program is the development of viable communities by providing:

- 1) decent housing,
- 2) suitable living environments, and
- 3) expanding economic opportunities principally for persons of low and moderate income.

Funds granted through this program support community development activities directed toward the following objectives stated in Title I of HCDA of 1974, as amended.

1. The elimination and prevention of slums and blighting influences that cause deterioration within a community.
2. The elimination of conditions detrimental to health, safety and public welfare through code enforcement, demolition, or interim rehabilitation assistance.
3. The conservation of housing stock to provide a suitable living environment for persons principally of low and moderate income.
4. The expansion and improvement of the quality and quantity of community services principally for persons of low- and moderate-income.
5. The better utilization of land and other natural resources, and the planning of placement of residential, commercial, industrial, recreational, and other needed activity centers.
6. The reduction of isolation of income groups through spatial de-concentration of housing and revitalization of deteriorated neighborhoods.
7. The restoration and preservation of properties with historic, architectural or aesthetic value.
8. The stimulation of private investment and community revitalization to alleviate physical and economic distress.
9. The conservation of scarce energy resources, improvement of efficiency and provision of alternative and renewable energy sources.

SECTION II: FEDERAL & STATE GOALS

As a result of federal initiatives, in 1981 the State of Nevada was given the option to administer the Community Development Block Grant (CDBG) program that had formerly been administered by the U.S. Department of Housing and Urban Development (HUD). The Governor's Office of Economic Development (GOED) administers the CDBG program for Nevada.

The State's goal is to meet the National Objectives of the Community Development Block Grant program. The National Objectives are to:

- 1) benefit low and moderate income persons;
- 2) aid in the prevention or elimination of slums or blight; or
- 3) meet community development needs having a particular urgency when other sources of funding are not available.

In addition, it is the State's goal to give extra consideration to projects addressing:

- 1) documented public health or safety needs and
- 2) needs identified through a community and/or regional planning process.

CDBG program goals are determined through a planning process. Every five years, the state must submit a five-year Consolidated Plan for HUD's four formula grant programs: Emergency Supportive Grant (ESG), HOME Investment Partnership (HOME), Community Development Block Grant (CDBG) and Housing for People with AIDS (HOPWA). These programs are intended to accomplish three HUD objectives: secure decent housing, provide a suitable living environment, and expand economic opportunities for low to moderate-income persons.

The current Consolidated Plan covers program years 2015 through 2019 and provides a broad range of goals that are priorities for that time frame. The non-entitlement areas of rural Nevada apply these goals in varying degrees, as each applies to moderate-income residents to the city or county. The Consolidated Plan goals to address the needs of its low- to moderate-income residents include:

- 1) Increase the availability of rental housing for low-income households;
- 2) Increase, preserve and improve the long-term life of existing affordable rental and owner-occupied housing stock, as well as improve housing accessibility and safety;
- 3) Expand homeownership opportunities for low-income homebuyers;
- 4) Continue support of existing sub-recipients operating emergency shelters and transitional housing for the homeless, including motel vouchers in communities lacking adequate shelter;
- 5) Create additional transitional and permanent supportive housing, including the rapid re-housing program;
- 6) Provide financial support to assist those at imminent risk of homelessness;

- 7) Support effective data collection and entry activities for the homeless services provided when servicing client populations;
- 8) Increase and preserve the supply of affordable housing available to the elderly and disabled;
- 9) Improve the access that special needs populations have to needed services;
- 10) Improve infrastructure by assisting with sidewalk/path, street, water and wastewater system upgrade and development projects;
- 11) Enhance access to quality facilities to serve the population throughout rural Nevada;
- 12) Provide infrastructure and other planning support for units of local government;
- 13) Retain and expand existing businesses;
- 14) Support recruitment and attraction of new businesses to Nevada;
- 15) Provide employment opportunities for low- and moderate-income people.

Housing needs are the priority of the Nevada Housing Division (NHD) and the HUD HOME funding; needs for people who are homeless are the priority of the NHD's Emergency Supportive Grant (ESG); needs addressing growth and economic development are the priority of the Community Development Block Grant (CDBG) program.

SECTION III: GENERAL INFORMATION

A. Criteria of Eligibility

In order for an application to be considered for funding, three criteria of eligibility must be met.

- 1) The application must be submitted by an eligible applicant.
- 2) The project activity or activities must be allowable under Section 105 of the law.
- 3) The project must meet one of the three National Objectives in the specific manner required by HUD.

It is the responsibility of the applicant to submit an application that is allowable under the law and that meets a National Objective. CDBG funds also mandate compliance with many other federal requirements. These requirements should be taken into consideration in developing the project's scope and budget.

Additionally, while HUD has many activities that are eligible, HUD also allows state programs to determine which activities further the goals of each state program. The focus of Nevada's CDBG program is to more closely align its goals with that of the Governor's Office of Economic Development by focusing on fewer but larger grants/projects that have a greater economic development impact for the rural communities.

In selecting projects for submission to GOED, applicants should be aware that if a project is funded, an environmental review (ER) of the project is required before funds may be obligated. Environmental reviews for Exempt or Categorically Excluded, Not Subject To projects MUST be submitted with the application.

CDBG staff members are available to provide technical assistance to communities developing applications. Cities and counties also need to collaborate with the Regional Development Authorities to develop projects that will have the highest impact for their communities.

B. Definitions

Low and Moderate Income: Persons at or below 80 percent of median family income per HUD Section 8 Housing Limits. Unrelated individuals shall be considered as one-person families for this purpose. [All living in one household constitute a family.]

Slum or Blight Area: The HUD definition is an area delineated by the State (refer to NRS 279.050 and 279.190) or by the grantee:

- that meets a definition of a slum, blighted, deteriorated, or deteriorating area under State or local law and
- where there is a substantial number of deteriorating or dilapidated buildings or improvements needed throughout the area.

Nevada Revised Statute Definitions:

Blighted Area: (from NRS 279.050): "Blighted Area" means an area which, by reason of the presence of a substantial number of slums, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, in sanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use. If such blighted area consists of open land, the conditions contained in subsection 6 of NRS 279.270 shall apply. Any disaster area referred to in subsection 9 of NRS 279.270 shall constitute a "blighted area."

Slum Area: (from NRS 279.190): "Slum Area" means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the health, safety, morals or welfare.

Urgent Need: In the absence of substantial evidence to the contrary, an activity will be considered to address this standard if the applicant certifies that the activity is designed to alleviate existing conditions that **pose a serious and immediate threat to the health or welfare of the community**, which are of recent origin or that recently became urgent, that the applicant

is **unable to finance the activity on its own, and other sources of funding are not available**. A condition will generally be considered to be of recent origin if it developed or became critical within 18 months preceding the certification by the applicant. Funding under this category does not fund a project but an interim solution until funding can be secure.

C. Eligible Applicants

Applications will be accepted only from the following city and county governments designated in the table below:

CITIES	COUNTIES
Caliente	Churchill
Carlin	Douglas
Elko	Elko
Ely	Esmeralda
Fallon	Eureka
Fernley	Humboldt
Lovelock	Lander
Wells	Lincoln
West Wendover	Lyon
Winnemucca	Mineral
Yerington	Nye
	Pershing
	Storey
	Washoe
	White Pine
Carson City (reverted from an entitlement)	Carson County

NOTE: Those cities highlighted in red are HUD-designated LMI areas.

Other entities seeking funding must work with these eligible cities and counties to secure sponsorship of a project. CDBG staff members can assist in determining if the proposed sponsorship and proposal are eligible.

D. Eligible Activities

Eligible activities are limited to those identified in Section 105 of Title I of the Housing and Community Development Act of 1974 as amended. If a local government has any questions regarding the eligibility of a project, it is recommended that CDBG staff be contacted prior to developing an application.

Primary program areas for the annual competitive CDBG program are Community Facilities/Services and Planning. Some examples of eligible activities are listed below.

Public Facilities/Services

- establish/upgrade water supply distribution systems
- upgrade sanitary sewers
- improve water treatment facilities
- flood control measures
- water/sewer feasibility studies
- maintain and improve streets
- health and safety centers
- emergency telephone service (911 number)

Planning

- water/sewer feasibility studies
- development of a comprehensive Community Economic Development Plan;
- Preliminary Engineering Reports (PER) required for larger projects

Economic Development

- Small Business Development Counseling
- Downtown revitalization

E. National Objectives

The projected use of funds must be developed to give maximum feasible priority to:

- activities that will benefit low and moderate income persons, or
- aid in the prevention or elimination of slums or blight, or
- activities that address an urgent need that is a serious and immediate threat to the health or welfare of the community.

F. Funding Levels

Allocation: The funding level for a federal fiscal year depends on actions taken at the federal level. Additionally, the allocation is based on a formula and the level may fluctuate based on population and other factors. The estimated funding level for the current fiscal year is based on the history of funding levels. Final grant awards are made when the actual HUD allocation is known.

Funding Period: Funding recommendations for applications are generally made late March or early April. Projects must be able to get underway as soon as possible after the grant award, July 1st. The first draw request is due within nine months of grant award (March 31st). Planning grants are funded for a 12-month period; construction grants are funded for an 18-month period. Grants may be extended if not completed within the original funding period. Requests

for extensions are submitted to the CDBG Program Administrator for review and approval by the Director of Rural Community & Economic Development.

Limitations on Grant Amount: There is neither a maximum limitation nor a minimum limitation on grant amounts. However, the annual allocation available from HUD to the State of Nevada is generally just over two million dollars. Therefore, an application requesting a majority of the funding would receive close scrutiny and may not be recommended for funding if it is determined such an allocation would put other viable projects at risk of not being funded. Conversely, administration of a grant is time intensive. Smaller requests may not be recommended for funding if it appears the project will not have significant impact and not be project ready.

The Public Service and Planning categories do have limitations imposed by HUD. Public Service projects cannot exceed 15 percent of the annual allocation from HUD (and are not priority projects for the State); Planning and Administration cannot exceed 20 percent of the annual allocation from HUD.

G. Joint Applications - Special Conditions

Eligible units of general local governments may submit a joint application requesting CDBG funds. It must address a common problem, the solution to which requires the mutual action of joint applicants. The application must include a written cooperative agreement outlining the responsibilities and authorities of each party. This agreement must also authorize the primary contact person for administrative and monitoring purpose. It is important to note that both communities must count the joint application as one of two submitted.

In the rating system of the selection process, if a joint application were submitted by Community A and ranked as a #1 priority and Community B ranked it a #1 priority, the application would be considered a higher priority than if only one community had ranked it #1. Community A and Community B can submit only one additional application each.

H. Indian Tribes

The State's CDBG funding can be used to benefit concentrations of non-federally recognized bands of Native American Communities. Their requests would be handled by the local government in the same manner as any other application for CDBG funds.

I. Citizen Participation

The following summarizes the steps needed to develop an effective citizen participation process that complies with HUD and State requirements.

It is essential the city/county conducts planning activities that involve citizen input when determining potential project requests from the CDBG program. The local government is

required to encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which CDBG funds are proposed to be used. This process should establish the areas and identify the activities that residents feel are the most needed for their community.

Local governments are required to ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to proposed and actual use of CDBG funds. The city/county also must assist representatives of low/mod groups that request help in developing proposals.

When planning public meetings, local governments must provide reasonable accommodations, such as sign language or availability of major documents in a requested language. All public meetings must be accessible to the handicapped. The Public Notice for the meeting(s) must include a statement on non-discrimination and provide a TDD or Nevada number where individuals who are hearing impaired individuals can obtain information about the CDBG program.

Recommended Meetings:

First Public Meeting:

This is an informational meeting that must be properly noticed and comply with the Nevada Open Meeting Law, NRS 241 as well as other noticing requirements. This public meeting may be held in conjunction with a council or commission meeting. **Noticing of the first public meeting must be done two weeks prior to the meeting.**

Information to be covered in the first meeting is as follows:

- The amount of CDBG funds expected to be made available for the current fiscal year;
- The range of activities that may be undertaken with CDBG funds;
- The proposed CDBG activities that are likely to result in displacement of people and/or businesses and the local government's anti-displacement and relocation plans required under regulation 570.488.

During this meeting the presenter is responsible for the following:

- Presenting a summary of grant performance for all CDBG grants received since 1982 and ensuring that the summary is available for review by the public.
- Asking the public for additional project ideas for the upcoming program year;
- Offering assistance to those interested in submitting an application but not familiar with the CDBG application process;
- Asking for public input on past or potential projects;

- Supplying a contact name and contact information for submitting project ideas;
- Informing the public of the next meeting at which potential projects (with estimated funding amounts and beneficiaries) will be discussed.
- Disseminating any additional information the city/county government wishes to include.

After the informational meeting and prior to the second public meeting, the local government will publish or post a notice describing:

1. the projects that are being considered for CDBG funding requests;
2. the amount of funds that will be requested for each project,
3. the availability of a description of past performance, and
4. the location where the potential project list and a history of past performance can be reviewed.
5. the date, time and location of the next public meeting is to be held, giving a two-week notice.

One copy of the minutes of the informational meeting (first page of minutes and section discussing the CDBG program **only**) and a copy of the advertised public notice or the posted notice must be sent with the application(s) to GOED. If a posted notice, locations where posted must be included on the notice. **Refer to the end of this guidebook for sample notices.**

Second Public Meeting:

This meeting is held approximately one month after the first/informational meeting and is properly noticed, as noted at the end of the section on the first meeting procedures.

During this meeting the following items are discussed:

- Project concepts, estimated costs, and estimated beneficiaries are discussed;
- Public input is requested;
- Additional project ideas may be submitted;
- Notification of the next meeting at which potential project(t)s will be selected to move forward with application(s).
- Other relevant information pertaining to the CDBG program and potential projects.

One copy of the minutes of the second meeting (first page of minutes and section discussing the CDBG program **only**) and a copy of the advertised public notice or the posted notice must be sent with the application(s) to GOED. If a posted notice, locations where posted must be included on the notice.

Third Public Meeting:

The third public meeting is held approximately one month after the second information

collection meeting. As with meetings #1 and #2, meeting #3 must be properly noticed, giving a two-week notice.

At this meeting:

- the city council/county commission members address all comments received;
- recommendations are made for any changes to the proposed project;
- potential projects are prioritized;
- final selection of projects for application submittal is made.

One copy of the minutes of the third meeting (first page of minutes and section discussing the CDBG program **only**) and **one** copy of the advertised public notice or the posted notice must be included with the application(s) to GOED. If the notice was posted, locations where posted must be included on the notice. All minutes will reflect approval of the council/commission as to which applications are to move forward and the prioritization or ranking of the projects.

After applications are completed, they are submitted via ZoomGrants to GOED with copies of the meeting notices (published or posted notices), the minutes, and other required documents. If submitting two applications, only one set of notices and minutes is required. **This evidence of citizen participation is required in order for applications to be considered for funding. Without this documentation the application cannot be accepted for review.**

Localities should be aware when an application is approved for funding, it is the responsibility of the city/county to ensure that the public has access to the state's Final Program Statement and Performance and Evaluation Reports (CAPER). This report provides performance results of each funded project. An electronic copy of the draft CAPER is sent to each city or county each year in August in order for the public to submit comments to be included in the report. After the public comment period, the report is submitted to the Department of Housing and Urban Development by the September 30th due date.

Community Development and Housing Needs Statement

Units of general local government may also use the citizen participation process to obtain information necessary to complete the **Community Development and Housing Needs Statement** required by the Governor's Office of Economic Development annually. It is suggested that the community request ideas from the citizens at the first public meeting and use the suggestions as a vehicle for planning present and future projects. The following steps should be taken to develop a Community Development and Housing Needs Statement.

- Through input from public meetings, surveys, or other sources, identify the needs of the community relating to community development and to housing **including the needs of low and moderate income** persons. (Note: This could be combined with the first meeting required for citizen participation).

- List the identified needs and the activities that should be undertaken to meet those needs. Please cite statistics when necessary and available.
- The statement need not be lengthy; one to two pages is acceptable. The statement may be completed by the grant author, CDBG contact, or a member of the commission or council. It is not necessary to retain a consultant to complete the statement.

Send one copy of the needs statement with the application. If submitting multiple applications, only one copy of the Community Development and Housing Needs is required.

J. Grant Agreement

Units of general local government must agree to comply with certain federal and state laws if awarded CDBG funds. Some laws require specific activities be conducted to demonstrate compliance while others simply require a signed assurance. The following list summarizes the types of applicable laws:

- Civil Rights and Fair Housing laws
- Environmental laws
- Labor Standards laws
- Relocation and Acquisition laws
- Treasury and Office of Management and Budget Circulars
- Section 504 Handicapped Access Plan.

The 1987 amendments to the Housing and Community Development Act require the unit of local government adopt an anti-displacement plan before receiving a grant award, even if the project will not result in displacement. It is suggested that the applicant adopt the plan during the citizen participation process to prevent delays in awarding the grant.

The Housing and Urban-Rural Recovery Act of 1983 made some significant changes in the assurances required of the CDBG participants. They included that the local government will minimize displacement, affirmatively further fair housing and will not attempt to recover the cost of public improvements. Since many fund requests by the units of general local government (UGLG) are for public improvements, it is necessary to clarify this assurance.

Units of general local government will not attempt to recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing properties owned and operated by low and moderate income persons unless: (A) CDBG funds are used to pay the proportion of such assessment that relates to non-CDBG funding or; (B) it is certified that, for the purpose of assessing properties owned and occupied by low and moderate income persons who are not very low income, the applicant does not have sufficient CDBG funds to comply with the provisions of (A) above.

HUD defines an assessment as a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public facility improvement, such as streets, curbs and gutters. The amount of the fee represents the pro rata share of the

capital costs of the public improvement levied against the benefiting properties. It is important to note that user fees and fees used to retire bonds do not apply to this requirement.

All units of local government that receive CDBG funding are required to obtain audits which comply with P.L. 98-502 (Single Audit Act of 1997) and the implementing regulations as contained in OMB Circular A-133 and the OMB Super-Circular's new audit requirements effective December 31, 2014.

K. The Budget

The application requires detailed information about the project costs and the sources of funds that will be used in completing the project. The budget will be closely examined by staff and the Advisory Committee. Contingencies are not allowed by HUD and should not be shown as line items in the budget.

The budget will also be examined for "Resource Leveraging" during the rating of the application to determine the percentages of cash and in-kind that is being contributed. The budget and the applicant's response to the question on efforts to obtain alternative funding will be examined in rating the potential project.

Definitions for the resource leveraging terms of cash, in-kind, volunteer, and effort are as follows:

Cash is the commitment of dollars to the project if it receives funding. This would include local funds from the applicant and funds from other local sources such as a general improvement district or senior center. Cash also includes committed funds from state and federal agencies, for example, the Nevada Division of Aging Services or the federal Farmers Home Administration.

Evidence of commitment of these funds must be attached to the application. Applications may be funded contingent upon obtaining the sources of funds indicated in the application if evidence of commitment is not available. Commitments of cash will be monitored if the project is funded. It is permissible to include any cash expended in the past year (from application date) on the project. Land purchased in the past year (from application date) may be shown at the cash purchase price.

- Attach evidence of ownership. Previous CDBG funding for this project or other projects will not be considered.

In kind refers to the commitment by the community for services to be performed in conjunction with the project alone including force account labor, volunteer labor, administrative costs assumed by the local government, in-house plans or engineering, etc. that will not be paid for with CDBG funds. Land acquired in the past year (from application date) by means other than cash purchase may be included at appraised value.

Volunteer refers to the value of volunteer labor that is part of the project. Volunteer labor is identified as in-kind.

Effort will be evaluated on two criteria. The application will be reviewed to determine the community's efforts to obtain alternate sources of funds appropriate to the project and local contribution to the project.

Where applicable, applicants will also be evaluated on the initiatives that were taken in the past to address the current problem. For example, if a water quality problem was identified five years ago, and the community has taken initial steps to address the problem by acquiring a new well site or funding a feasibility study three years ago, this will be taken into consideration in the rating of effort.

L. Administrative Costs

Payment of reasonable administrative costs related to the planning and execution of CDBG grants is allowed in very rare instances. Items must be in conformance with Office of Management and Budget (OMB) Circular A-102 and may not exceed 10 percent of the total request. Explanation of items to be covered must be detailed in the budget justification. The following are examples of eligible administrative costs. Any allowance for administrative costs will not be allowed after CDBG Policies & Procedures are revised.

- 1) General management, oversight and coordination of CDBG program:
 - Salaries, wages and related costs of staff engaged in management, coordination, monitoring and evaluation of program.
 - Travel costs incurred for official business in carrying out the program such as attending the grant administration workshop.
 - Administrative services carried out by third party contracts or agreements including legal, accounting, or auditing services. This could include a portion of the costs associated with compliance with the Single Audit Act.
 - Other costs for goods and services used in the administration of the grant such as office space rental, supplies, insurance, or utilities.
- 2) Providing for citizen participation.
 - Copying costs for providing information to citizens or grant activities.
- 3) Provision of activities designed to further fair housing.
 - Coordinating counseling services to provide residents with fair housing information.
- 4) Activities to facilitate program implementation.
 - Costs for conducting special surveys.
 - Site and utility plans, preliminary cost estimates and "sketch drawings".

- 5) Costs for environmental studies.
- Costs for obtaining clearances and conducting environmental assessments.

Please note that while these are eligible costs, administration is infrequently awarded, as the HUD allocation has declined over the years and project funding is considered the priority. Grantees often use city/county administration as an in-kind contribution to the project.

Note: Costs for application preparation are not allowable as cash, in kind, volunteer, or effort for the total project.

M. The CDBG Advisory Committee

The CDBG Advisory Committee (AC) consists of seven members whose function is to review applications and recommend projects for funding to the Executive Director of the Governor's Office of Economic Development and the State of Nevada's Governor. The term of service for members of the Advisory Committee is three years.

When the member cannot attend an AC meeting, a substitute representative will be chosen by the Executive Director of GOED in consultation with the chair of the AC. The substitute should be from the region that the absent member represents.

Carson City retains its separate allocation process and review committee. Final awardees are approved by the Mayor/Board of Supervisors.

SECTION IV: SELECTION SYSTEM

A. Selection Process and Criteria

Applications are initially reviewed for eligibility by staff members of the Governor's Office of Economic Development (GOED). Other State agencies are asked to provide a technical review of applications, as appropriate. This information is provided to the CDBG Advisory Committee for consideration in the allocation process. The Advisory Committee rates, ranks, and recommends applications for funding to the Director of Rural Community and Economic Development of the Governor's Office of Economic Development. The recommendations are then submitted to the Executive Director of GOED and to Nevada's Governor for final approval.

Each community that applies for funds will be allowed to make a presentation at the Advisory Committee meeting. Each community is permitted 15 minutes to present its project: five minutes of presentation time per application and ten minutes to respond to questions from the Advisory Committee per application. Communities not able to send a representative may send a narrative for CDBG staff to present to the Advisory Committee. Video presentations also are acceptable.

In accordance with federal law, the CDBG Advisory Committee must meet or exceed the requirement that 70 percent of the State's CDBG funds, over a three-year period, is allocated to projects that benefit low and moderate income persons.

B. Selection Considerations

Communities should keep selection considerations in mind when planning or writing community development proposals. A project's rating and ranking is a significant consideration in project selection. These factors include but are not limited to the following:

National Objectives:

Proposals must demonstrably address the primary objective of the Act as well as one of the three broad national objectives set out in the federal Act passed by Congress.

Performance:

The community's past performance with CDBG projects will be considered during the selection process. Project readiness is also taken into account.

Benefit to Low and Moderate Income Persons:

At least 70 percent of the State's CDBG funds, over a three year period, must go to projects that benefit low and moderate income persons. This factor is included in the Technical Review of applications.

State Goal:

Any project that addresses a documented public health or safety need (s) or is identified through a community planning process may receive extra consideration in the selection process based on the urgency of the need.

GOED's goal of funding fewer but larger projects that have a greater economic development impact to the communities.

Please refer to the CDBG Application: Ranking Criteria Form for specific scoring. The funding decision of the Governor's Office of Economic Development and the Governor is final and takes into account the recommendations of the CDBG Advisory Committee.

C. Meeting National Objectives

All applications must meet one of the three National Objectives in order to be considered for funding. Briefly restated the National Objectives are:

- 1) to benefit low and moderate income persons;
- 2) to aid in the prevention or elimination of slums or blight;
- 3) to meet community development needs having a particular urgency when other sources of funding are not available.

Although an activity may be allowable under Section 105 of the law, if the project does not meet a National Objective in the specific manner required by HUD, it will not be eligible for funding.

For example, a community may choose to improve a water line under the National Objective of benefiting low and moderate income persons. After conducting a special survey, they find that fewer than 51 percent of the residents are of low and moderate income. This project cannot be funded because it does not meet the designated National Objective of benefit to low-mod even though it is an allowable activity under Section 105 of the law.

1. Activities Benefiting Low and Moderate Income Persons

The State must certify to HUD that 70 percent of the State's CDBG funds, over a three-year period, will go toward projects benefiting low and moderate income persons.

For a project to meet the National Objective of benefit to low and moderate income (LMI) persons, at least 51 percent of the persons in the activity or project target area should be LMI. As a rule, the activity must be clearly designed to meet the identified needs of low-mod persons in the community. An activity cannot benefit moderate income persons to the exclusion of low income persons.

An activity that will benefit low-mod income (LMI) persons can be LMI-Limited Clientele, LMI-Area Benefit, LMI-Housing or LMI-Jobs.

Limited Clientele Projects:

A limited clientele activity is one that benefits a specific group of people (rather than all the residents in a particular area), at least 51 percent of whom are L/M persons. To qualify under this category, the activity must meet one of the following tests:

- A. Benefit a clientele or group who are generally presumed to be principally L/M income persons. The following groups are currently presumed by HUD to meet this criterion: Abused children, elderly persons, battered spouses, homeless persons, handicapped persons, illiterate persons; persons living with AIDS and migrant farm workers; or
- B. Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the L/M limit; or,

- C. Have income eligibility requirements that limit the activity exclusively to L/M income persons; or,
- D. Be of such nature and location that it may be concluded that the activity's clientele will primarily be L/M income persons.

Limited clientele activities also include special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly or handicapped persons to publicly owned and privately owned non-residential buildings, facilities and improvements and the common areas of residential structures containing more than one dwelling unit. [Reference 570.208(a) (2)]

With a Limited Clientele project there is a direct connection between income and receiving benefits. Examples include:

Senior citizen centers or handicapped access projects where persons using the facility are presumed (by HUD) to be of low-mod income unless there is substantial evidence to the contrary.

Area Benefit Projects:

An activity that has a service area is considered to be an area wide activity. For area benefit projects, such as water systems, sewer systems, and most other community facility projects, at least 51 percent of the persons who benefit must be of low and moderate income.

In order to determine what areas are LMI, applicants are provided with 2010 and later census data on income and population, calculated for the county's 2010 median family income. If economic and population conditions an area have changed since 2010, a special survey might be conducted by the jurisdiction to show that 51 percent of the proposed area is low-mod income.

2. Activities to Address Slum or Blight Conditions

Activities which aid in the prevention or elimination of slum or blight may be performed in a slum or blighted area, or outside of that area.

Activities in a slum or blighted area must address one or more of the conditions that qualified the area as "slum" or "blighted". The applicant must delineate in its files the area boundaries and the conditions of the area at the time of application. This documentation may include maps, photographs, and a narrative description of the area. A map and a written description of the delineated area should be included with the application. The written description should identify which portions of the NRS definition apply to the target area. The governing body of the unit of local government should pass a resolution delineating the slum or blight area in accordance with Nevada Revised Statutes definitions.

Outside a slum or blighted area, "spot blight" activities may include acquisition, demolition, rehabilitation, and historic preservation designed to eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area. Any rehabilitation performed to non-low-mod households is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

3. Activities to Address Urgent Needs

An activity will meet this National Objective if the applicant documents that the activity is designed to alleviate existing conditions that pose a serious and immediate threat to the health or welfare of the community. The conditions must be of recent origin, or must have become urgent recently. HUD regulations define "recent origin" as developing or becoming critical within the past 18 months. To meet this national objective, the applicant must document it is unable to finance the activity on its own and other sources of funding are not available.

This national objective addresses emergency situations and thorough and complete documentation must be attached. This may include "boil water" orders, other sanctions imposed by federal or state agencies, test results (such as a water quality analysis to prove there is lead in the drinking water supply that has lead joints in the pipes), and photographs. Supporting information must define the severity of the threat, document the condition developed in the past 18 months and show that no other funds are available. Rejection letters from potential funding sources, financial information showing the locality's indebtedness, and other information demonstrating the unavailability of other funding sources must be attached to the application. **Before proceeding with an Urgent Need project consult with state CDBG staff.**

4. Rating System

The rating system and other factors are involved in making funding recommendations. The rating system is used to evaluate CDBG applications. The rating system contains the following elements that are considered in project selections.

Question 1 & 2

Project Needs Analysis: [10 points] The applicant identifies the problem and how it is currently being addressed. The application details how the problem/need was determined and why the project is needed. The applicant addresses how the problem/need will be resolved and how the resolution will be monitored. This section also addresses how the applicant will know the problem has been resolved and the goal(s) of the project met.

Question 3

Scope of Work (SoW): [10 Points] Proposals are evaluated to determine if the proposed project is clearly defined and provides sufficient detail. The SoW must identify the project activities, milestones and deliverables. The SoW also identifies cost-sharing funds and notes if those funds are secured. The purpose of the proposed project is described in terms of the effect the proposed project will have on the community.

Question 4 & 5

Planning & Project Context: [10 points] The applicant provides details about how the proposed project contributes to the goals, objectives, and activities of the 2015-2019 Consolidated Plan. If the proposed project is specifically or generally identifying is a city, county, regional or other state plan, the applicant describes that contribution. The applicant also shows how the proposed project promotes long-term proactive planning in the area of the project.

Question 6 thru 9

Environmental Review (ER): [10 points] Proposals are evaluated based on the status of the ER: (1) has the level of environmental review been determined; (2) if determined, is the ER included with the application; (3) if a review includes other State or Federal funding, are those agencies identified and have they been contacted; (4) have environmental impacts associated with the proposed project been adequately addressed?

Question 10

Economic Development Impact: [10 points] In a continuation of the Planning & Project Context section, the applicant describes how the proposed project contributes to the area's Regional Redevelopment Authority's (RDA) planning goals and indicators. The applicant details the efforts of private investment, local government and the community in funding the proposed project. Additional detail on private funding may be included in this section. The applicant also provides research based post-grant impacts to the community on employment, tax increment increases, per capita income, and number of businesses impacted.

Project Budget Tab

Project Budget & Budget Justification Narrative: [10 points] Proposals are evaluated on the soundness of the project budget and the narrative, which explains: (1) each budget line item; (2) how the cost was determined; (3) the source of the estimate. The narrative identifies the proposed project's cost-sharing funds and whether they are secured or not. The application must provide letters of commitment or letters of intent for other funding sources.

Project Implementation Tab

Maturity & Project Readiness: [10 points] Evaluation of a proposed project assesses project readiness by reviewing information throughout the application and the supporting documentation. This includes but is not limited to: (1) commitment of cost-sharing funds; (2) the proposed timeline of the project; (3) ability of the proposed project to implement on July 1st; (4) status of proposed project if a phase in a multi-year project. Ownership issues, if applicable, are addressed in this section.

- (1)** An eligibility review of the application is completed by CDBG Staff Members before the proposal can move into the application stage. Additionally, External Reviewers with specific knowledge and expertise are contacted to review proposals in their areas of expertise. This knowledge is provided to the AC during the allocation process.

Other Considerations:

Factors other than rating are involved in making funding recommendations. The project's rating is the primary factors taken into consideration by the AC in recommending projects for funding.

Other factors that may be considered during deliberation are:

- If an application with a high rating requests a large proportion of funds available, the AC may take that into consideration and recommend other lower rated applications for funding in the interest of better use of funds.
- Additionally, phasing of larger projects, where practical, into freestanding segments is strongly encouraged to allow the AC to recommend partial funding for projects that might otherwise be non-fundable as a whole. In those cases, projects are partially funded allowing phased implementation with a reduced Scope of Work. In past years, these applications have been funded in their entirety. However, as HUD's allocation have decreased over the past decade, it has not always been possible to fully fund projects with CDBG funding only. Multi-year projects may receive additional consideration when ranking in an effort to "do no harm" to these larger projects. In that effort, projects that receive a lower rating may be funded over projects with a higher rating.
- Project readiness is an important factor taken into consideration. The AC will pay particular attention to the starting and completion dates for projects, so funds are not allocated to a project unable to start for nine to 12 months or more. A grantee must be able to make a first draw down of funds within nine months of grant award (March 30st). Exceptions may be granted on a case-by-case basis.
- The AC may consider the community's demonstrated efforts to seek other sources of funding for the project. If a community has not explored, secured, or exhausted resources available at the local or state level to fund the project, the AC may choose to not recommend the project for funding. Examples of these resources include, but are not limited to, a local user fee, room tax, a local gas tax or setting up a general or special assessment district.
- Past performance on CDBG projects is also a consideration. If a community has not made progress on prior year grants, the committee may take this into account when considering whether the community will be able to effectively administer an additional grant. The capacity of the community to administer additional grants and the extent to which the community has received assistance from the State's CDBG program may also be taken into consideration in funding recommendations.
- Proposals must demonstrably address the primary objective of the Act as well as one of the

three broad national objectives set out in the federal act passed by Congress. In accordance with federal law, the AC strives to meet or exceed the requirement that 70 percent of the State's CDBG funds for any three-year period must be allocated to projects that benefit LMI persons. The current three-year reporting period is 2018-2020.

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDICES

THIS PAGE INTENTIONALLY LEFT BLANK

NOTICE #1

NOTICE OF PUBLIC HEARING FOR DISCUSSION OF POSSIBLE STATE CDBG APPLICATION

NOTICE IS HEREBY GIVEN that the (jurisdiction) will conduct a public hearing on (date) at (time) at (place) in order to discuss possible applications for funding under the next fiscal year's (July 1, 2015 to June 30, 2016) State Community Development Block Grant (CDBG) Program and to solicit citizen input on possible activities to be included in the application. It is estimated that approximately \$2,000,000 will be available in total.

ELIGIBLE ACTIVITIES UNDER THE ABOVE ALLOCATION CONSIST OF: HOUSING REHABILITATION PROGRAMS, PUBLIC FACILITY AND PUBLIC IMPROVEMENTS PROJECTS, PUBLIC SERVICE PROGRAMS, PLANNING STUDIES, ECONOMIC DEVELOPMENT BUSINESS ASSISTANCE AND MICROENTERPRISE ACTIVITIES. ELIGIBLE ACTIVITIES PAID FOR WITH THE STATE CDBG FUNDS MUST MEET ONE OR MORE OF THE THREE NATIONAL OBJECTIVES LISTED IN CDBG FEDERAL STATUTES AS FOLLOWS: BENEFIT TO LOW INCOME HOUSEHOLDS OR PERSONS; ELIMINATION OF SLUMS AND BLIGHT; OR MEETING URGENT COMMUNITY DEVELOPMENT NEED.

The purpose of this public hearing is to provide information about the CDBG program, past projects that have been funded in the (jurisdiction), how to apply, eligibility requirements, how and where funds can be used, and to give citizens an opportunity to make their comments known regarding what types of eligible activities the (jurisdiction) should apply for under the State CDBG program. A second public hearing will be held to discuss proposed projects submitted to date. A final hearing will be held to discuss, approve and rank applications prior to submittal to the State.

If you require special accommodations to participate in the public hearing, please contact (contact name and phone number; always include a TDD # or the NV Relay #).

If you are unable to attend the public hearing, written comments may be directed to the (jurisdiction), at (mailing address), or you may telephone (contact name and phone number). In addition, information is available for review at the above address between the hours of (hours of availability) on (days of availability; e.g. Monday-Friday).

The (jurisdiction) promotes fair housing and makes all its programs available to low and moderate income families regardless of age, race, color, relation, sex, national origin, sexual preference, marital status or handicap.

NOTICE #2

NOTICE OF PUBLIC HEARING FOR DISCUSSION OF POSSIBLE STATE CDBG APPLICATION

NOTICE IS HEREBY GIVEN that the (jurisdiction) will conduct a public hearing on (date) at (time) at (place) in order to discuss potential applications for funding under the next fiscal year's (July 1, 2015 to June 30, 2016) State Community Development Block Grant (CDBG) Program and to solicit additional citizen input on possible activities to be included in an application.

ELIGIBLE ACTIVITIES UNDER THE ABOVE ALLOCATION CONSIST OF: HOUSING REHABILITATION PROGRAMS, PUBLIC FACILITY AND PUBLIC IMPROVEMENTS PROJECTS, PUBLIC SERVICE PROGRAMS, PLANNING STUDIES, ECONOMIC DEVELOPMENT BUSINESS ASSISTANCE AND MICROENTERPRISE ACTIVITIES. ELIGIBLE ACTIVITIES PAID FOR WITH THE STATE CDBG FUNDS MUST MEET ONE OR MORE OF THE THREE NATIONAL OBJECTIVES LISTED IN CDBG FEDERAL STATUTES AS FOLLOWS: BENEFIT TO LOW INCOME HOUSEHOLDS OR PERSONS; ELIMINATION OF SLUMS AND BLIGHT; OR MEETING URGENT COMMUNITY DEVELOPMENT NEED.

The purpose of this public hearing is to give citizens an opportunity to discuss proposed projects submitted to date and to suggest further ideas. Proposed projects and estimated funding are listed below (list specific activities and dollar amounts applied for). Only projects listed here and proposed at the meeting will be forwarded to the Council/Commissioners for approval.

[PROJECT LISTING]

NOTE: If any of the activities are likely to result in displacement, include the jurisdiction's anti-displacement and relocation plans in the Notice, stating that these plans will be discussed as part of the hearing.

A final hearing will be held to discuss, approve and rank applications prior to submittal to the State.

If you require special accommodations to participate in the public hearing, please contact (contact name and phone number; always include a TDD # or the NV Relay #).

If you are unable to attend the public hearing, you may direct written comments to the (jurisdiction), at (mailing address), or you may telephone (contact name and phone number). In addition, information is available for review at the above address between the hours of (hours of availability) on (days of availability, e.g. Monday-Friday).

The (jurisdiction) promotes fair housing and makes all its programs available to low and moderate income families regardless of age, race, color, relation, sex, national origin, sexual preference, marital status or handicap.

NOTICE #3

NOTICE OF PUBLIC HEARING FOR DISCUSSION OF POSSIBLE STATE CDBG APPLICATION

NOTICE IS HEREBY GIVEN that the (jurisdiction) will conduct a public hearing on (date) at (time) at (place) in order to discuss comments received on potential applications for funding under the next fiscal year's (July 1, 2015 to June 30, 2016) State Community Development Block Grant (CDBG) Program and to select and rank projects to move forward with a full application to be submitted to the State CDBG Program.

The purpose of this public hearing is to discuss comments received on potential applications, and approve and rank applications prior to submittal to the State.

If you require special accommodations to participate in the public hearing, please contact (contact name and phone number; always include a TDD # or the NV Relay #).

If you are unable to attend the public hearing, you may direct written comments to the (jurisdiction), at (mailing address), or you may telephone (contact name and phone number). In addition, information is available for review at the above address between the hours of (hours of availability) on (days of availability, e.g. Monday-Friday).

The (jurisdiction) promotes fair housing and makes all its programs available to low and moderate income families regardless of age, race, color, relation, sex, national origin, sexual preference, marital status or handicap.



C D B G

Community
Development Block
Grant