

Community Development Block Grant

COVID-19 (CDBG-CV) Application Guidelines



Missouri Department of
Economic Development

Community Development Block Grant
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Introduction: Enclosed are the application guidelines for the Missouri Department of Economic Development (DED) Community Development Block Grant COVID-19 (CDBG-CV) Application Guidelines. These guidelines shall be used to apply under the following categories:

- Community Facility
- General Infrastructure
- Economic Development
- Planning
- Public Services

Planning: On March 12, 2021, the State made available its CDBG-CV Action Plan. Citizen comments were taken into consideration in the development of these guidelines.

Maximum: No Applicant will receive more than \$2,000,000 in priority activities, and not more than \$1,000,000 in non-priority activities. The maximum amount an Applicant can receive across all activities is \$2,000,000.

Application Process: These application guidelines are printed in a step by step process for the benefit of the cities and counties seeking financial assistance. Please review the guidelines in their entirety prior to application.

- STEP 1: DETERMINE UNMET NEEDS
- STEP 2: REVIEW ELIGIBILITY AND CDBG-CV REGULATIONS (General and Specific)
- STEP 3: SELECT GRANT WRITER AND PRELIMINARY ENGINEER AND/OR ARCHITECT
- STEP 4: REVIEW ADMINISTRATOR AND ENGINEER AND/OR ARCHITECT PRE-SELECTION PROCESS (OPTIONAL)
- STEP 5: CONSIDER ENVIRONMENTAL REVIEW
- STEP 6: COMPLETE PROJECT BUDGET PACKAGE
- STEP 7: CONDUCT PUBLIC HEARING
- STEP 8: DISCUSS PROJECT WITH CDBG-CV STAFF
- STEP 9: COMPLETE AND SUBMIT APPLICATION

APPLICATION CATEGORIES

COMMUNITY FACILITIES

ELIGIBLE USES OF FUNDS: Unmet Community Facilities construction or rehabilitation needs that prevents, prepares for, or responds to COVID-19, in addition to meeting traditional CDBG program requirements.

Community facilities are senior centers, technical education facilities, training facilities, day care centers, community centers, sheltered workshops, recycling facilities, youth centers, 911, rural health clinics (facilities without dedicated state funding), telecommunications, shared spaces for the purposes of business development, group homes, transitional housing, special needs housing, and all eligible activities designed to provide a service or group of services from one central location for a prescribed area of residents or users. Applications may include the infrastructure necessary to support the facility, in addition to the facility itself.

Facilities must be owned by a local government or non-profit agency. It is the responsibility of the applicant to assure the non-profit status of the entity seeking assistance. The applicant must be confident of the capacity, history, organizational structure, existence in the community, and reputation of the non-profit. Applications for community facilities must provide evidence of the ability to operate and maintain the facility for the purpose intended.

CDBG-CV funds proposed for the day-to-day operation of the facility are not eligible.

Americans with Disabilities Act (ADA) – This application category also includes those activities that assist with gaining compliance with the ADA law that include: elevators, chair lifts, and large renovation to existing restrooms. No new restroom construction is allowed under this category. Only those activities necessary for compliance are eligible. General improvements or enhancements to buildings conducting government business are prohibited.

TYPICAL NATIONAL OBJECTIVE USED: 51% low-moderate income (LMI) proven either through area wide benefit, by survey or census, target area benefit by survey (the target area must be defined and defensible in terms of the use of the facility in order to use this option), or by limited clientele. This latter option is reserved for facilities that address a specific group of beneficiaries that may be drawn from throughout the community or area. Please discuss the specific option chosen with the CDBG-CV staff prior to initiation of the application.

NOTES: The facility must establish its ability to sustain the operation long after construction is complete. Applicants are encouraged to partner with additional State and Federal agency programs for greater impact; e.g. the Neighborhood Assistance Tax Credit Program, Youth Opportunities Program, and United States Department of Agriculture (USDA) Rural Development are examples where CDBG-CV funds may match a larger project. For proposed ADA projects, priorities are county courthouses, city halls, and other public buildings for which accessible access is required under the ADA. Applicants must demonstrate the unmet need for CDBG-CV funding for ADA improvements.

APPLICATION DEADLINE/TIMING/MAXIMUM: Applications will be approved on a rolling basis. Application maximum is \$2,000,000 for priority activities and \$1,000,000 for non-priority activities.

ADDITIONAL REQUIRED ATTACHMENTS: Normal application plus preliminary architectural plan (If applicable), proof of not-for profit corporation status (if applicable), any intergovernmental agreements necessary (if applicable), and other agency commitments. ADA applications also require clearance documentation from the State Historic Preservation Office (SHPO) and plan for full accessibility compliance, including timeline for completion.

GENERAL INFRASTRUCTURE

ELIGIBLE USES OF FUNDS: General Infrastructure construction that prevents, prepares for, or responds to COVID-19, in addition to meeting traditional CDBG program requirements. This category allows the applicant to recognize and solve an unmet infrastructure need particular to the community.

These projects may include, but are not limited to, bridge, street, drainage, broadband, and activities not addressed with an existing CDBG-CV funding category. The projects must be CDBG-CV eligible publicly owned infrastructure activities and meet a CDBG-CV national objective.

TYPICAL NATIONAL OBJECTIVE USED: The national objective will be specific to the project but may include 51% LMI (area wide or target area: census, survey, or limited clientele) or Elimination of Slums and Blight, or a combination of the two.

NOTES: Applicants that can substantiate a need or a series of needs and have a well thought-out solution with an emphasis on economic impact, sustainability, and local impact (serving a large population with every dollar) will be given consideration. Applicants who leverage other funding sources to achieve a broader solution to a series of needs will be given consideration. Applicants who demonstrate local capacity to manage the project will be given consideration.

APPLICATION DEADLINE/TIMING/MAXIMUM: Applications will be approved on a rolling basis. Application maximum is \$2,000,000 for priority activities and \$1,000,000 for non-priority activities.

ADDITIONAL REQUIRED ATTACHMENTS: Normal application plus any applicable proof of not-for-profit status, intergovernmental agreement, and other agency commitments including any from the private sector. Include any relevant architectural plans or engineering plan and a map. Include any supporting documentation that verifies the need such as professional studies, census information, etc.

ECONOMIC DEVELOPMENT

ELIGIBLE USES OF FUNDS: Economic Development project(s) that prevents, prepares for, or responds to COVID-19, in addition to meeting traditional CDBG program requirements.

Application approval is based on compliance with eligibility criteria and availability of funds. The minimum eligibility criteria stated below will vary on different types of businesses based on the projected economic impact, such as proposed wages, spin-off benefits, and projected industry growth; as well as impact on the region's ability to prevent, prepare for, and respond to COVID-19. The specific eligibility criteria for each type of business will be stated in the program guidelines.

APPLICATION DEADLINE/TIMING/MAXIMUM: Applications will be approved on a rolling basis. Application maximum is \$2,000,000 for priority activities and \$1,000,000 for non-priority activities.

TYPICAL NATIONAL OBJECTIVE USED: Minimum 51% LMI Job Creation. At least 51% of the new jobs created must be occupied by applicants qualifying as a low and moderate income person (those individuals with household incomes at or below 80% of median household income.)

NOTE: When multiple CDBG-CV funding tools are used for a project, CDBG-CV funding from all programs is limited to \$85,000 per job. For purposes of any CDBG-CV economic development project, a "start-up" company is defined by DED as being a company with a financial history of three years or less.

PUBLIC BENEFIT STANDARDS: CDBG-CV Funds are subject to the public benefit standards. As such, projects must provide documentation to support the following:

- The activity will create or retain at least one full-time equivalent, permanent job per \$85,000 of CDBG funds used;

AND (A or B)

- A. The activity will provide goods or services to residents of an area such that the number of LMI persons residing in the area served by the assisted businesses amounts to at least one (1) LMI person per \$1,700 of CDBG funds used;

OR

- B. The assistance was provided due to business disruption related to coronavirus (in which case, no monetary standard applies because HUD has determined that there is sufficient public benefit derived from the provision of assistance to stabilize or sustain businesses in the grantee's jurisdiction that suffer disruption due to coronavirus, and that facilitation of business assistance for this purpose may help to avoid complete economic collapse within the grantee's jurisdiction).

Economic Development Industrial Infrastructure - Grants for the improvement of public infrastructure, which prevent, prepare for, or respond to COVID-19, and cause the creation or retention of full-time permanent employment by a private company(s) benefiting from the infrastructure. CDBG-CV funding is limited to \$85,000 per job to be created, and a maximum grant of \$2 million for existing companies.

NOTE: For CDBG-CV Industrial Infrastructure applications in which the participating company meets the definition of a "start-up company" (as defined by as being a company with a financial history of three years or less), the maximum allowable CDBG-CV award will not exceed the lesser of: 50% of the cost of the public infrastructure activity(ies), \$85,000 per job to be created, or \$500,000. For all CDBG-CV industrial infrastructure projects, see below for required local government financial participation.

The use of CDBG-CV funds in Economic Development projects is not an entitlement and the per job maximums and total grant maximums are measures **not to exceed**.

In addition, an assisted company must pledge and document private investment toward the total project costs (public and private costs combined) in an amount no less than the CDBG-CV funds awarded for the project.

Local government grantees are encouraged to participate financially in the public infrastructure to the maximum extent possible within their means. The recommended match amount is 15% of the total CDBG-CV funding requested from DED.

The 15% local match may be provided in a combination of cash or in-kind. It may be used for the same public infrastructure activity as proposed for CDBG-CV or it may be documented from another public infrastructure activity necessary to support, and included in, the same defined project for the same company location or expansion.

The local government participation must be committed by letter at the proposal stage, if applicable and/or by resolution in the application. In addition, please see above restrictions on the maximum amount available when the participating business is a start-up company.

DED has established manufacturing industries as the priority beneficiary of economic development infrastructure funding. However, certain service industries and incubators are eligible to participate in economic development infrastructure projects.

The use of CDBG-CV economic development infrastructure funding is generally limited to publicly owned infrastructure. However, privately owned infrastructure may be addressed with CDBG-CV funding when 1) regulated as a public utility; 2) is a unique circumstance when private funding is unavailable to address the infrastructure; and 3) the project will result in high impact to the local economy in terms of job creation and private investment.

Missouri Rural Economic Opportunities Infrastructure Grant - Grants for public infrastructure (including facilities if the facility is either publicly or nonprofit owned) for projects intending to prevent, prepare for, or respond to COVID-19, facilitate significant transformation of the local economy and the creation or retention of full time permanent employment by a private company benefitting from the infrastructure. The development must be unique to the region and must:

- Include activities that add value to the existing economic circumstances and create jobs and investment, and
- Use existing assets of the local economy and transition those assets in such a manner that creates jobs and investment and
- Add a technological component to an asset of the local economy and
- Include either a federal partnership and/or participation or university partnership and/or participation.

CDBG-CV funds are limited to \$85,000 per job created and/or retained, and up to a maximum of \$1 million CDBG-CV participation per project. CDBG-CV funds may not be the majority share of funds in the total project costs.

Local government grantees are encouraged to participate financially in the public infrastructure to the maximum extent possible within their means. That amount should be targeted to reflect 15% of the total CDBG-CV funding requested from DED.

The 15% local match may be provided in a combination of cash or in-kind. It may be used for the same public infrastructure activity as proposed for CDBG-CV or it may be documented from another public infrastructure activity necessary to support, and included in, the same defined project for the same company location or expansion.

DED has established manufacturing, research, and technology industries as the priority beneficiary of these funds. However, certain service industries and incubators are eligible to participate in a Rural Opportunities Infrastructure project.

The use of CDBG-CV funds is generally limited to publicly owned infrastructure. However, privately owned infrastructure may be addressed with CDBG-CV funding when:

1. Regulated as a public utility,
2. Is a unique circumstance when private funding is unavailable to address the infrastructure, and
3. The project will result in high impact to the local economy in terms of job creation and private investment.

Job Training: A grantee may request funds to subcontract with a qualified non-profit or public entity to provide job training to persons who will be or are presently employed by a company (for profit or nonprofit) as part of prevention, preparation for, or response to COVID-19. The funds would be used only for instructors, materials, or related training aids and expenses thereof. At least 51% of the new jobs created and/or retained must be filled by LMI persons, and the uses comply with the public benefit standards outlined above.

Industry Hardship Program:

A Subgrantee may establish an Industry Hardship Grant Program, and administer grants to “hardest-hit industries” to avoid job loss. All funds must be used for eligible, unmet needs as part of prevention, preparation for, or response to COVID-19, and must meet National Objectives. Hardest-hit industries are

defined and measured by either local or regional industry unemployment rate, or documented industry hardship.

To be eligible for this funding, a subgrantee must demonstrate that all other funding sources that would otherwise address this gap has been expended, including, but not limited to: CARES Act funds, American Rescue Plan funds, PPP loans, SBA resources and EDA resources. A subgrantee must also certify that it will not use CDBG-CV funds for any costs that are to be paid for by the CARES Act, ARPA, PPP loans, SBA resources or EDA resources. Any grant funds disbursed must be used for eligible activities, must meet Federal Requirements, cannot represent a Duplication of Benefit, and must meet National Objectives. A brief fact sheet on these requirements is included here:

<https://files.hudexchange.info/resources/documents/CDBG-CV-Economic-Development-Quick-Guide.pdf>

DEMOLITION

ELIGIBLE USES OF FUNDS: Demolition funds must be used in the effort to prevent, prepare for, or respond to COVID-19. Demolition activities allows cities and counties to use CDBG-CV funds with local matching funds and private matching funds to eliminate abandoned blighted structures to facilitate the prevention of, preparation for, and response to COVID-19.

TYPICAL NATIONAL OBJECTIVE USED: Elimination of slum and blight is the only allowable national objective for demolition only projects.

APPLICATION DEADLINE/TIMING/MAXIMUM: Applications will be approved on a rolling basis. Application maximum is \$2,000,000 for priority activities and \$1,000,000 for non-priority activities.

PRIORITIES: Elimination of structures which are hazardous.

ADDITIONAL REQUIRED ATTACHMENTS: Normal application plus any applicable proof of not-for-profit status, intergovernmental agreement and other agency commitments, including any from the private sector. Include map of area showing all dilapidated structures and specific structures to be demolished, proof of ownership for all proposed properties, signed consent forms and colored pictures (pictures can be a color copy not required to be on photo paper). All units proposed for demolition must have been vacant for a minimum of 12 months; documentation from a utility service must be provided to prove vacancy for 12 months.

PLANNING

ELIGIBLE USES OF FUNDS: CDBG-CV funds can be utilized in addressing unmet needs for planning projects that prevent, prepare for, or respond to COVID-19. The purpose of the Planning category is to provide communities the opportunity to solve problems and meet citizen needs through an integrated community planning process that will enable the community to effectively respond to future outbreaks of COVID-19.

The outcome of a successful planning process will ultimately provide information and data that will be used in future planning or implementation efforts. Successful projects arise from effective efforts to involve stakeholders and gain their support throughout the process.

Broadband Infrastructure Planning:

A Subgrantee may establish a planning for the purpose of expanding broadband access to eligible beneficiaries as a means of preventing, preparing for, or responding to COVID-19.

ELIGIBLE USES OF FUNDS: Planning and Administration

TYPICAL NATIONAL OBJECTIVE USED: The national objective will be specific to the project but may include 51% LMI (area wide or target area: census, survey, or limited clientele), Elimination of Slums and Blight, and Urgent Need, or a combination. Urgent Need is only eligible if project is initiated within 18 months of the expiration of the COVID-19 Disaster Declaration initiated March 13, 2020.

APPLICATION DEADLINE/TIMING/MAXIMUM: Applications will be approved on a rolling basis. Application maximum is \$2,000,000 for priority activities and \$1,000,000 for non-priority activities.

PUBLIC SERVICES

ELIGIBLE USES OF FUNDS: Public Service projects will address unmet needs in the effort to prevent, prepare for, or respond to COVID-19 by providing needed public services to entitlement and non-entitlement areas of the State utilizing CDBG and possibly other local leveraged resources.

Examples of Priority Activities for CDBG CV funds include: Providing testing, diagnosis or other services at a fixed or mobile location, carrying out job training to expand the pool of health care workers and technicians that are available to treat disease within a community, increasing the capacity and availability of targeted health services for infectious disease response within existing health facilities, providing equipment, supplies, and materials necessary to carry out a

public service, delivering food to quarantined individuals or individuals who are high risk for contracting COVID-19.

TYPICAL NATIONAL OBJECTIVE USED: The national objective will be specific to the project but may include 51% LMI (area wide or target area: census, survey, or limited clientele), Elimination of Slums and Blight, and Urgent Need, or a combination. Urgent Need is only eligible if project is initiated within 18 months of the expiration of the COVID-19 Disaster Declaration initiated March 13, 2020.

APPLICATION DEADLINE/TIMING/MAXIMUM: Applications will be approved on a rolling basis. Application maximum is \$2,000,000 for priority activities and \$1,000,000 for non-priority activities.

ADDITIONAL REQUIRED ATTACHMENTS: Normal application plus any applicable proof of not-for-profit status, intergovernmental agreement, and other agency commitments including any from the private sector. Include any relevant architectural plans or engineering plan and a map. Include any supporting documentation that verifies the need such as professional studies, census information, etc.

APPLICATION PROCESS

Prior to completing an application, please review:

1. HUD guidance on the CDBG-CV funding uses, including, at minimum:
CDBG-CV Quick Guide:
<https://files.hudexchange.info/resources/documents/CDBG-CV-Economic-Development-Quick-Guide.pdf>
CDBG-CV FAQs, dated August 2020:
<https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-CV-Notice-FAQs-OBGA-082720-TOC.pdf>
CDBG-CV Program page:
<https://www.hudexchange.info/programs/cdbg-cv/>
2. The State of Missouri planning and guidance on uses, including:
FY2019 Action Plan Amendment to accommodate CDBG-CV:
<https://ded2.mo.gov/media/926>
All other relevant published documents and trainings on the State of Missouri CDBG-CV program:
<https://ded2.mo.gov/programs/cdbg/covid19>

STEP 1 – DETERMINE UNMET NEEDS

Unmet Needs Assessment: Discuss with your governing body, department heads and citizens the priority public facility and/or public projects in your community. It is preferable, but not required, to have a Capital Improvement Plan, which identifies the unmet needs of the community, and methods of financing those unmet needs.

Citizen views on community needs must be solicited during the required public hearing and at any subsequent meetings in order to complete the Unmet Needs Assessment. The Unmet Needs Assessment contains sections that must be completed using public opinion, and those that may be completed using census data. The method used to stimulate enough public opinion to generate and compile a majority of the public is up to the community to determine. Please recognize special interest groups and continue to generate input from other sources.

It is noted that generating public participation and public opinion will require different approaches in different communities. There is no required percentage of participation from the public, and there is no required number of “meetings” that must be conducted to seek input. The applicant must be satisfied with the level of input and that the document accurately portrays a consensus of public opinion.

Public perception of the unmet needs may differ from the unmet needs identified by the governing body, the engineer, the grant administrator, the state and/or the federal government. The assessment should not be altered or skewed to reflect the particular project. Rather, it should be used as a preliminary planning tool. If the community has a written, adopted, current community plan, it may be substituted for the unmet needs assessment. It does not replace the need for the public hearing.

Determine Jurisdiction: Once your need is identified and the proposed project begins to form, the community must look at jurisdictional boundaries appropriate to the project. If the project extends beyond a city’s boundary, then an application may have to be multi-jurisdictional. There are specific up-front requirements for multi-jurisdictional applicants. Please refer to those instructions in this guideline.

Determine Responsibility and/or Ownership: Ownership and responsibility are factors that must be examined by a community applying to the CDBG-CV program. Does the unit of local government own or operate the facility or infrastructure or will the application have to be made “on behalf of” another

sub recipient entity? Eligible entities, for which a city or county may sponsor an application, include other political subdivisions, organized districts, non-profit organizations, or, in some cases, for-profit businesses. Also, an applicant (or subapplicant) must have legal jurisdiction to operate in (or serve) the proposed project area (or beneficiaries). When more than one government is involved in the same application an intergovernmental agreement must be executed prior to application submittal. When a government sponsors an application on behalf of a not-for-profit, or other eligible non-governmental agency, a grantee and/or subgrantee agreement must be executed prior to application submittal.

PLEASE NOTE: Prior to initiating the application process, please determine your eligibility status. Any grantee with a delinquent audit for any year, whether or not the grant is closed, is ineligible to apply for funding. This applies to all CDBG-CV categories.

STEP 2 – NATIONAL OBJECTIVE AND ELIGIBLE ACTIVITIES

Once the priority project has been identified, and it is determined that additional financial assistance is necessary, the community must determine if the project meets the minimum criteria of the CDBG-CV program. The following eligibility criteria and regulations are related to all of the categories of funding by CDBG-CV. The second half of Step 2 itemizes the eligibility criteria specific to each category.

NATIONAL OBJECTIVE

Apply the project to a National Objective:

1. The project beneficiaries are at least 51% LMI;
2. The project eliminates slums and blight;
3. The project is Urgent Need

51% Low and Moderate Income (LMI)

At least 51% or more of the persons **and** families benefiting must be LMI for public projects and public facilities and 100% LMI for housing activities. LMI can be determined by the United States Department of Housing and Urban Development (HUD)'s 2015 census data or by conducting a survey. LMI is generally calculated on an area basis, meaning either the entire jurisdiction of the applicant (or subapplicant) or a defined targeted area within that jurisdiction must be at least 51% LMI.

1. To be counted as a beneficiary of a project, LMI documentation must be obtained.
2. For every separate activity funded under the same project, there must be 51% LMI or the removal of slum and blight achieved.

3. For the purposes of determining eligibility, all persons and families must be counted. For the purposes of determining the amount of CDBG-CV funding, all households must be counted.
4. A project may not be designed to benefit moderate-income persons to the exclusion of low-income persons.
5. HUD's CDBG-CV program income guidelines (as modified by the Housing and Community Development Act of 1987) shall be used to define low and moderate-income for the CDBG-CV Program. The annual income limits are available by request from CDBG-CV. If HUD has not published the applicable year's limits, then the community may use the previous year in order to begin the survey work. (New limits are usually available in March.)
6. "Income" should be viewed as a family's total adjusted gross income. Any person that belongs to an LMI family is considered an LMI person. Request a copy of the direct beneficiaries IRS Form 1040 or other equivalent income statements.
7. To calculate the LMI percentage, divide the number of LMI persons by the total number of persons benefiting; and divide the number of LMI families by the total number of families benefiting. Both calculations must equal or exceed 51%. You may not round up to achieve 51%. The HUD census data is only available in the number of LMI persons. Therefore, in order to arrive at the correct number of LMI families, divide the number of persons by 2.47, which is the state average household size.
8. If you choose to survey for eligibility, there are three categories of income to report: 80% of the county's median income; 50% of county's median income; and, 30% of the county's median income. Eligible persons and families are all those below 80% of median income. The terminology may differ for the three categories but the percentages are the same. You may see: moderate-low-very low; or low-very low-extremely low; or low-very low-30% of median. It is important to distinguish the categories for the reporting purposes and not to eliminate any from the survey instrument sample.
9. It is the activity that will often provide the indication of who benefits. The availability of exact census data will determine whether census or survey may be used. In the CDBG-CV program, an applicant determines the project to be either: area-wide benefit, or a target-area benefit. Secondly, the applicant indicates the method of LMI eligibility: census, survey, job-creation, or limited clientele.
10. The application may be an area-wide benefit if the activity benefits an entire city, county, township, or enumeration district, either 2015 census data or survey may be used to determine LMI benefit. Please note that

the census data provided by HUD sometimes differs from the U.S. Census Bureau in terms of income and the total number of persons and families in a given area. DED may only accept the HUD data as valid.

11. If the activities proposed in an application only benefit a portion of the community, then a target-area benefit would be relevant. Most often, surveys are required to gain eligibility here. Census data by tract or block group may be used if the beneficiaries exactly match the tracts or block groups (and the entire block group data must be used). Contact CDBG-CV at (573) 751-3600 to request assistance with census information.
12. If an application has one activity that benefits the entire community (such as water or wastewater treatment) and another activity that benefits only a section of the community (such as water distribution or wastewater collection) then the treatment activity must represent the majority of the project costs in order to use an area-wide benefit with census data.
13. Census and survey information may not be mixed to achieve eligibility. However, if a project benefits an entire community, plus additional persons outside the city limits, census data may be used for the residents of the community (if it exceeds 51%) and a survey may be conducted for those outside the city limits. The survey must also achieve 51% LMI independently in order to qualify the project.
14. Surveys are used to apply accurate information to an area that is not covered by census information, or to provide updated information to an area that has changed in the number of persons and their income level during the decade for which the census is valid. There is a methodology applied to surveys intended to support CDBG-CV eligibility and there is a time limit in which those surveys may be valid.
 - A completed survey will be valid for 4 years.
15. There are two options for surveys: 100% solicitation or random.
16. For the first option, applicants must solicit 100% of the proposed beneficiaries. The survey response percentage is 80%. (This is only allowed when the project area contains 200 or fewer families). For larger surveys, applicants are required to perform a random survey.
17. A random survey requires a smaller sample to be surveyed, but requires that specific residences (chosen at random by CDBG-CV) be surveyed. The survey response rate is 80% of the residences surveyed. A random survey is required if the service area contains more than 200 families. Contact CDBG-CV staff for random number table if random survey is required. If the service area of the project consists of 200 or fewer families, a random survey is **not** an option. The occupants of apartments must be included in the population to be surveyed. Individual apartments are

treated just like individual households. Seasonal homes, which are not a person's full time residence, are not considered occupied households.

18. Regardless of survey options, there are three acceptable procedures: door to door, which should involve trained personnel, where the survey is conducted at the residence by an interviewer. Techniques of not introducing bias into the survey should be used including question wording; probing to obtain clarification, and recording responses accurately. Modified door-to-door includes hand delivery of the survey but the task of completion is left to the resident. The deliverer may either wait or make arrangements to pick the survey up at a later date. Or, the survey may be made via mail.
19. Data from the survey must be extrapolated to reflect 100% of the population served by the project.
20. Telephone surveys are acceptable.
21. The survey instrument and tabulation sheet is made available to the applicant by CDBG-CV. Please contact CDBG-CV staff prior to any modifications of the document.

CAUTION: A survey not properly implemented will result in either point deductions or ineligibility due to not meeting a national objective.

22. A map must accompany the application, showing the project area and beneficiaries.
23. If a survey is used to prove LMI
24. Meeting eligibility through job creation requires 51% of all jobs created by the project to be offered to and held by LMI persons. The total number of jobs created is directly related to the amount of CDBG-CV assistance requested and is computed on a per job basis. For the purposes of this application, job creation is generally only relevant to Microenterprise.
 - **Employee Survey:** An Employment Status Statement (located in the Administrative Manual) is to be used to determine LMI status. The Business must survey each person hired. In addition, the Business is required to provide the ethnicity characteristics of all job applicants. The Business may utilize the Employment Status Statement as a method of collecting this data. The employee must sign the surveys, and the employee must be willing to verify his or her family income upon request of DED, HUD or the Applicant. The survey is voluntary and confidential; however, all surveys not completed will be assumed to be from non-LMI persons. The Business is responsible to administer the surveys and provide the completed surveys to the Applicant and DED.

25. Limited Clientele persons (or groups of persons) are presumed to be principally LMI, according to HUD. These include: abused children, battered spouses, elderly persons (age 62 and over), adults meeting the Bureau of the Census' definition of severely disabled, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. The disability data used for limited clientele are "persons with a mobility or self-care limitation." This data is broken into persons age 16 to 64 and 65 and older. The data for both age groups must be added together in total. Do not use the data for "persons with a work disability."
26. In addition, if a project's activities are limited exclusively to LMI persons (such as a food pantry with income restrictions either equal to or more restrictive than the LMI income limits for that county), the project may meet the LMI national objective through limited clientele. Or, if the project can document, via information on family size and income, that at least 51% of the clientele are persons of LMI status, the project may meet the LMI national objective through limited clientele.
27. Limited Clientele projects are those that **exclusively** serve a group defined as limited clientele. If this criterion is met, then no further LMI documentation, either by census or by survey is necessary. If the project is not exclusive or designed for only that group or groups, then LMI eligibility must be proven by another method.

Elimination of Slums and Blight

To prove this HUD national objective applicant must propose one of the two different methods.

1. The **first** method occurs when a structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to health, safety and public welfare.

Communities participating in this activity must, at a minimum, determine blighted structures by applying existing dangerous building ordinance, building code level of violation or applicable occupancy or habitability designation or code violation in a manner consistent with their ordinance. The ordinance, code violation or designation must be applied to the specific structure, not to the area as a whole. The predominance of blight in an area does not allow blight to be assumed for each structure inside the area.

2. The **second** method covers area blight, and includes submitting a resolution passed by the governing legislative body declaring the area blighted in accordance with 24 CFR 570. As stated, the definition of the

national objective *elimination of slum and blight* reads as follows. The area meets the conditions of either (a) or (b):

- a. at least 25% of the properties throughout the area experience one or more of the following conditions:
 1. physical deterioration of buildings or improvements,
 2. abandonment of properties
 3. chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings,
 4. significant declines in property values or abnormally low property values relative to other areas in the community, or
 5. known or suspected environmental contamination.
- b. the public improvements throughout the area are in a general state of deterioration.

Urgent Need

The use of the Urgent Need national objective category is rare. It is designed only for activities that alleviate emergency conditions. To prove this HUD national objective applicant must meet the following criteria:

1. The existing conditions must pose a serious and immediate threat to the health or welfare of the community;
2. The existing conditions are of recent origin or recently became urgent (generally, within the past 18 months);
3. The grantee is unable to finance the activity on its own; and
4. Other sources of funding are not available.

Categories of Funding

Establish the appropriate category in which to apply and determine whether your budget is consistent with the application maximum and minimum as well as the per-household beneficiaries established.

PRIORITY ACTIVITIES	PER APPLICANT MAXIMUM
Public Service	\$2,000,000
<u>Healthcare Response</u> , as defined as: <ul style="list-style-type: none"> • Providing testing, diagnosis or other services at a fixed or mobile location; • Increasing the capacity and availability of targeted health services for infectious disease response within existing health facilities; • Providing equipment, supplies, and materials necessary to carry out a Healthcare Response public service 	
<u>Dependent Care for Healthcare Professionals</u> , as defined as: <ul style="list-style-type: none"> • The non-food cost of providing dependent care (child or dependent adult care) paid to dependent care provider (not individual beneficiary) 	
<u>Community Response</u> , as defined as: <ul style="list-style-type: none"> • Delivering food to quarantined individuals or individuals who are high risk for contracting COVID-19 	
<u>Job Training for Healthcare Response</u> , as defined as: <ul style="list-style-type: none"> • Carrying out job training to expand the pool of health care workers and technicians that are available to treat disease within a community; 	
Community Facilities	\$2,000,000
<u>Facilities</u> , as defined as: <ul style="list-style-type: none"> • Senior centers • Technical education facilities • Training facilities • Day care centers • Community centers • Sheltered workshops, recycling facilities • Youth centers • 911 	

<ul style="list-style-type: none"> • Rural health clinics <i>facilities without dedicated state funding only</i> • Telecommunications • Shared spaces for the purposes of: <ul style="list-style-type: none"> - Business development - Group homes - Transitional housing - Special needs housing 	
<p><u>Facility Activities</u>, as defined as:</p> <ul style="list-style-type: none"> • Eligible activities designed to provide a service or group of services from one central location for a prescribed area of residents or users. 	
<p><u>Facility Infrastructure</u>, as defined as:</p> <ul style="list-style-type: none"> • Infrastructure necessary to support the facility. 	
<p>General Infrastructure</p>	\$2,000,000
<p>Hard Infrastructure, as defined as:</p> <ul style="list-style-type: none"> • Bridge and related eligible activities; • Street and related eligible activities; • Sidewalk and related eligible activities; • Drainage and related eligible activities. 	
<p><u>Broadband Development Infrastructure</u>, as defined as:</p> <ul style="list-style-type: none"> • Development of tangible broadband assets, as eligible under CDBG guidelines. 	
<p>Economic Development</p>	\$2,000,000
<p><u>Economic Development Industrial Infrastructure</u>; as defined in pages 4-6 of this document.</p>	
<p><u>Missouri Rural Economic Opportunities Infrastructure Grant</u>, as defined in pages 4-6 of this document.</p>	
<p><u>Job Training</u>, as defined in pages 4-6 of this document.</p>	
<p><u>Industry Hardship Program</u>, as defined as:</p> <ul style="list-style-type: none"> • Grants program intended to avoid job loss. Must be administered through subgrantees to hardest-hit industries (as measured by either local or regional industry 	

unemployment rate, or otherwise documented hardship) for eligible, unmet needs. See pages 4-6 of this document.	
Demolition	\$2,000,000
<u>Residential Demolition</u> ; as defined in pages 7-8 of this document.	
<u>Commercial Demolition</u> ; as defined in pages 7-8 of this document.	
Planning	\$2,000,000
<u>Planning for COVID-19</u> ; as defined as: planning for the purpose of preventing, preparing for, or responding to COVID-19.	
<u>Broadband Infrastructure Planning</u> ; as defined as: planning for the purpose of expanding broadband access to eligible beneficiaries as a means of preventing, preparing for, or responding to COVID-19.	
NON-PRIORITY ACTIVITIES	PER APPLICANT MAXIMUM
<u>Non-Priority Activity</u> ; as defined as: All other CDBG-CV eligible Activities, not included as a Priority Activity.	\$1,000,000

Eligible Applicants and/or Sub-applicants and Multi-jurisdictional applications

Assure that you are either an eligible applicant or sub-applicant. The State may only, by Federal law, distribute CDBG-CV funds to “units of general local government” in non-entitlement areas (eligible for CV-1 [\$13,684,820] and CV-3 [\$11,391,811]) and non-entitlement areas (eligible for CV-2 \$17,956,792) of Missouri, which are incorporated cities, counties, and villages. Other political subdivisions or non-profit corporations may be sub-applicants and are required to gain a sponsorship from a city, county or village. Businesses and for-profit entities may be the recipient of CDBG-CV funds under certain circumstances.

1. Cities and counties in Missouri that are in the HUD “entitlement” program, and are not eligible for “non-entitlement” funds are: Blue Springs, Columbia, Florissant, Independence, Jefferson City, Joplin, Kansas City, Springfield, St. Joseph, Lee’s Summit, St. Louis (city), Jefferson County and the cities within Jefferson County who have elected to participate in the County entitlement program (Arnold, Byrnes Mill, Cedar Hill Lakes, Crystal City, De Soto, Festus, Herculaneum, Hillsboro, Kimmswick, Lake Tekakwitha, Olympian Village, Pevely, and Scotsdale.) St. Charles County and the cities within St. Charles County who have elected to participate in the County entitlement program (Cottleville, Lake St. Louis, New Melle, St.

Charles, St. Paul, St. Peters, Weldon Spring, and Wentzville.) St. Louis County, and the cities within St. Louis County who have elected to participate in the County entitlement program (Ballwin, Bel-Nor, Bel-Ridge, Bella Villa, Bellefontaine Neighbors, Bellerive Acres, Berkeley, Beverly Hills, Black Jack, Breckenridge Hills, Brentwood, Bridgeton, Calverton Park, Charlack, Chesterfield, Clayton, Cool Valley, Country Club Hills, Crestwood, Creve Coeur, Dellwood, Edmundson, Ellisville, Eureka, Fenton, Ferguson, Flordell Hills, Frontenac, Glen Echo Park, Glendale, Grantwood Village, Green Park, Greendale, Hanley Hills, Hazelwood, Hillsdale, Jennings, Kinloch, Kirkwood, Lakeshire, Manchester, Maplewood, Marlborough, Maryland Heights, Moline Acres, Normandy, Northwoods, Norwood Court, Oakland, Olivette, Overland, Pacific, Pagedale, Pasadena Hills, Pasadena Park, Pine Lawn, Richmond Heights, Riverview, Rock Hill, Shrewsbury, St. Ann, St. John, Sunset Hills, Sycamore Hills, Twin Oaks, University City, Uplands Park, Valley Park, Velda City, Velda Village Hills, Vinita Park, Webster Groves, Wellston, Wildwood, Winchester, and Woodson Terrace.)

2. In determining the eligible sponsor of an "on behalf of" application, the applicant must be addressing its own community development needs. Otherwise, the application is ineligible. Agencies having members appointed by the mayor and/or council or county commission are not considered part of the city or county, therefore, must be represented in an "on behalf of" application. If a city or county submits an application on behalf of a non-profit corporation, proof of the non-profit status must be included with the application. This proof normally comes in the form of a letter of good standing from the Secretary of State's office designating the entity as a not-for-profit corporation.
3. **An intergovernmental agreement or grantee and/or subgrantee agreement**, which specifies decision-making authority, administration, contract compliance, reports, etc., must be executed prior to the submission of an application. In all instances, the city or county, as the State's grantee, has final responsibility for the project implementation and compliance. The city or county must retain financial responsibility, and the required audit will be of the grantee (city or county). Article VI, Section 16 of the Missouri Constitution and RSMo 70.210 - 70.320 should be reviewed in such cases.
4. **Other political subdivisions** may include organized districts formed under the state statutes. Any district sponsored by a city or county must have **legal jurisdiction to serve the area** proposed in the application prior to the submission of the application. Cities and counties may have "annexation"

as a contingent item for funding, but not-for-profits and political subdivisions may not.

5. **Multi-jurisdictional applications** are necessary when a project benefits persons outside one jurisdiction. All of the jurisdictions benefiting must participate in the application process.
 - a. Selecting the **lead applicant** may either occur by choosing the location where the majority of beneficiaries lie, or by choosing the location where the construction or majority of construction is taking place.
 - b. The **public hearing(s)** must either be advertised in a manner sufficient to reach all of the potential beneficiaries and scheduled for a place that is central and easy to access, or must take place in each jurisdiction using separate notices and sites. If only one hearing is convened, then a public official from each jurisdiction must be in attendance in order to respond to questions from their constituents.
 - c. The **needs assessment** document may be reported as one regional document or separate documents according to the desires of the jurisdictions.
 - d. All applications received that are multi-jurisdictional must contain the following (originally signed, if applicable) documents from **each jurisdiction**: Civil Rights Compliance, Section 3 Utilization, Anti-Lobbying, and Residential Anti-displacement Plan (only where acquisition and construction may occur).
 - e. All multi-jurisdictional applications must include inter-governmental agreements.
6. Eligible applicants or sub-applicants may apply for specific projects that benefit, or are operated in conjunction with, **non-profit and for-profit businesses or developers**. In most cases, the applicant or sub-applicant will convert the grant to a loan when providing assistance to a project involving a for-profit business or developer.

Eligible Activities:

Select only eligible activities. Section 105(a) of the Community Development Act and HUD regulations specified the activities that are eligible for CDBG-CV assistance. A general listing of eligible activities is below, and a detailed description is provided in 105(a) of the Act and in 24 CFR 570.482. While all activities may be eligible, some program categories may prioritize the funding of some activities.

1. Property Acquisition
2. Property Disposition
3. Property Clearance/Demolition
4. Architectural Barrier Removal
5. Senior Center
6. Community Facilities
7. Centers for the Handicapped
8. Historic Properties
9. Water Treatment/Storage
10. Sanitary Sewer Collection
11. Storm Sewers
12. Flood and Drainage Facilities
13. Streets (or Roads)
14. Street Accessories
15. Parking Facilities
16. Bridges
17. Sidewalks
18. Pedestrian Malls
19. Recycling or Conversion Facilities
20. Parks and Recreation Facilities
21. Fire Protection/Facility Equipment
22. Solid Waste Disposal Facilities
23. Other Utilities
24. Public Service/Supportive Services
25. Rehabilitation of Private Residential Properties
26. Rehabilitation of Public Residential Properties
27. Payments for Loss of Rental Income
28. Relocation
29. Code Enforcement
30. Energy Use Strategy
31. Non-Federal Share Payment
32. Interim Assistance
33. Planning
34. Commercial or Industrial Facilities
35. Administration
36. Engineering /Design
37. Housing Rehab/Demo Inspection
38. Engineering/Construction Inspection
40. Audit
41. Port Facility
42. Airports
43. Natural Gas Lines
44. Electrical Distribution Lines
45. Rail Spurs
46. Lighting
47. Other Professional Services
48. Security Fencing
49. Site Preparation
50. Purchase Land/Building
51. Facility Construction Renovation
52. Machinery/Equipment
53. Working Capital
54. Sewage Treatment
55. LDC Homeownership Assistance up to \$15,000 to purchase a new home
56. Legal
57. 911 Emergency Systems
60. Homeowners Assistance- up to \$5,000 to purchase an existing DSS home
61. Lead-Based Paint Risk Assessment
62. Asbestos Removal
63. Job Training
64. Home-Ownership Counseling

65. Substantial Reconstruction of the reconstruction of private residential properties on same lot- up to \$15,000
66. Water Distribution

67. Lead Reduction NOT incidental to Rehab
68. Asbestos Inspection

Ineligible Activities are as follows:

1. Maintenance or operation costs. **
2. General government expenses.
3. Political activities.
4. Improvements to city halls and courthouses, except those required to meet the Americans with Disabilities Act. Note: CDBG-CV funds used for ADA projects may only convert existing facilities to accessibility. CDBG-CV funds may not be used to add new facilities.
5. Purchase of equipment, except for fire protection, public services, landfills or recreation.
6. Income payments, except for loss of rental income due to displacement.
7. Application preparation costs or a bonus award for writing a successful application.
8. Religious purposes.

**** Maintenance and Operation Costs:** Any cost that recurs on a regular basis (generally, less than five years) is considered a maintenance or operation cost, therefore ineligible for CDBG-CV assistance. It is the responsibility of the applicant to provide these revenues from user fees or taxes. Additionally, if such maintenance or operation revenues are not sufficient to adequately support a facility or service assisted by CDBG-CV funds, the project will not be awarded. The determination whether such revenues are sufficient will be made by the applicant's professional engineer, the Department of Natural Resources (for related projects), and/or DED. The preliminary engineering report required for all public works projects should discuss the revenues available for operation and maintenance of the facility or service.

General applicant compliance

Assure that your application is consistent with the general compliance necessary for CDBG-CV.

1. **Applicable Laws, Regulations and Executive Orders:** Applicants must comply with all applicable state and federal laws, including but not limited to, statutes prohibiting discrimination against persons because of race, color, religion, sex, national origin, disability and age. These laws,

included in the Statement of Assurances, require non-discrimination in the design, construction and operation of the program. By signing the Statement of Assurances, applicants agree to abide by all applicable laws. Pursuant to federal guidelines, future CDBG-CV funds may be denied to any applicant who uses CDBG-CV funds in a way, which violates any of the above laws or any law included in the Statement of Assurances as detailed in the application process.

2. **Acquisition and Relocation Regulations:**

a. **Uniform Act:** All project related acquisitions are subject to the requirements of this regulation no matter what source of funding is actually used for the acquisition activities. However, all project acquisitions that are completed prior to the application public hearing are not subject to the Uniform Act requirements.

b. **Section 104d Anti-displacement Act:** This regulation governs the use of CDBG-CV program funds and emphasizes the anti-displacement of households. However, if displacement is necessary to carry out the project, relocation assistance must be offered to persons displaced by private acquisition, demolition, and the conversions of units to uses other than LMI dwelling units. Grantees will be required to replace every occupied unit, or one that has been occupied within the previous 12-month period, that is demolished or converted to non-LMI housing. Non-LMI housing means that the subsequent mortgages or rents will exceed HUD's fair market rents. The replacement of the demolished or converted houses must be conducted on a one-for-one basis within three years. Government-assisted or Low Income Housing Tax Credit (LIHTC) units may be used as replacement units. An exception to the one-for-one rule is available where it is determined that an adequate supply of habitable, affordable LMI units exists in the grantee's jurisdiction. Applicants are required to submit a plan that meets the anti-displacement requirements of Section 104(d). An applicant should contact DED for further information or clarification of these regulations.

3. An applicant should be generally familiar with the regulations that the State and Federal governments have attached to the program, which must be complied with if your project is awarded CDBG-CV funds. The rules include **procurement, labor standards, civil rights, fair housing, environmental review, financial recordkeeping and reporting, property acquisition, and contract management.**

4. **Closed Records:** Section 620.014, RSMo, provides that records and documents, submitted to DED or other public entity, relating to financial investments in a business, sales projections or other business plan information, which may endanger the competitiveness of a business, may be deemed a *closed record* as such term is defined in section 610.010, RSMo. Income documents and records from direct beneficiaries are also considered closed records.
5. **Penalties for Non-Compliance:** Section 620.017, RSMo, states that DED must require any entity, which receives financial assistance from one of its programs, to use the proceeds solely as required by the program, and any recipient who fails to comply with any requirement shall return any remaining proceeds to DED, and any proceeds expended shall be repaid to DED. Specifically for projects using job creation, the Participation Agreement states that in the event the required New Jobs are not achieved, the pledged capital investment is not expended, or that less than 51% of the New Jobs are LMI, DED will require full or pro-rated payment of the grant, plus penalties of 10% annual interest accrued from the date of project commencement, unless unforeseen economic events have occurred.
6. **Conflict of Interest - Persons Covered:** The conflict of interest provisions of this policy shall apply to any person who is an employee, elected or appointed official, agent, consultant (including grant administrator; engineers and architects), officer, or any immediate family member or partner of the above, of the recipient, or any designated public agencies, or sub-recipients which are receiving funds from CDBG-CV.
7. **Applicability:** In the area of procurement of supplies, equipment, construction and services by recipients, sub recipients or designated public agencies, the conflict of interest provisions in 24 CFR 570.611, as applicable, shall apply. In all cases not governed by 24 CFR 570.611, the provisions of this policy shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or sub recipients to individuals, businesses and their private entities in the form of grants, loans, or other assistance through eligible activities of the program, which authorize such assistance.
8. **Conflicts Prohibited:** Except for approved eligible administrative or personnel costs, no persons described above (persons covered) who exercises or have exercised any functions or responsibilities with respect to CDBG-CV activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or

have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. For the CDBG-CV program, the above restrictions shall apply to all activities that are a part of the Grant Agreement, and shall cover any such interest or benefit during, or at any time after, such person's tenure. No elected official with any association of their entity as a CDBG-CV recipient, shall be compensated in any form for performing administration of a CDBG-CV project, and shall not receive fees from any source, including finders fees, realtors' or brokers' fees, from a Business or other parties involved in a CDBG-CV assisted project.

9. **Exceptions:** DED may grant an exception to a conflict after a determination has been made by the State of Missouri that the exception will serve the purposes of the Housing and Community Development Act of 1974 and the State's adopted Consolidated Plan. This exception will only be considered after the recipient has provided, to DED, written documentation detailing a disclosure of the nature of the conflict accompanied by an assurance that there has been a public disclosure of the conflict, a description of how the public disclosure was made, and an opinion of the recipient's attorney that the interest for which the exception is sought would not violate state or local law.

In determining whether to grant an exception, DED shall consider the following factors, where applicable:

- a. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available,
- b. Whether an opportunity was provided for open competitive bidding or negotiation,
- c. Whether the person affected is a member of a group or class of low to moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class,
- d. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question,
- e. Whether the interest or benefit was present before the affected person was in a position as described above (conflicts prohibited),

- f. Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict, and
- g. Any other relevant considerations.

10. **Employment of Unauthorized Aliens (RSMo 285.530):** All local government applicants, and all sub applicants (when relevant to the application), must be enrolled in a federal work authorization program (E-verify). See Certification in application for certification and requirements.

Grant administration options

Determine how the grant is to be administered. The Applicant has the responsibility to complete the procedures and requirements as established under the Statement of Assurances and the CDBG Administrative Manual. The Administrative Manual, which is available upon request, specifies procedures for all types of CDBG-CV projects.

1. Administrative Methods: There are three different methods that have been used to administer CDBG-CV projects:

- a. Use of existing staff members. If persons presently on staff have sufficient time to devote to administer the project, then this method is preferable if those persons are adequately qualified. However, CDBG-CV funds cannot be used to replace salaries or expenses, which previously had been paid by the grantee. Also, no city or county employee, elected or employed, can be contracted with to perform any portion of a grant, either by the grantee or by an outside firm.
- b. Hiring of new staff members. Applicants proposing this method should consider that training a new staff member may cause a delay in program implementation, and it may be difficult to find qualified persons for temporary, part-time, positions. There is no guarantee an applicant will receive funds on an ongoing year-to-year basis.
- c. Contract with an outside firm or agency. If CDBG-CV funds are used to pay for administrative services, the service must be procured according to CDBG-CV guidelines. Engineering firms may qualify to administer a grant. **However, the same firm or any principal or employee thereof, cannot perform both engineering and administration on the same project, regardless of the source of payment.**

Cities and counties which are member organizations of a Regional Planning Commission (RPC) or Council Of Governments (COG) may contract directly with that RPC or COG if both of the following conditions are met:

1. The city or county, as the CDBG-CV grantee, must be a dues-paying member in good standing of the RPC or COG for a minimum of 12 consecutive months prior to submitting an application and must be able to provide documentation of its membership in good standing with application.
2. The CDBG-CV application was prepared by the RPC or COG.

If the city or county itself or another third-party entity assisted the city and/or county with the application preparation, grant administration must then be procured in accordance with CDBG-CV guidelines. City and county grantees are not required to use the RPC and/or COG, and may elect to procure for grant administration even if both of the above conditions are met. This is simply an option that city and county grantees may use.

1. Depending upon the scope of the project, administration activities may include, but are not limited to, environmental review, procurement, contract management, labor standards, equal opportunity and/or civil rights, property management, citizen participation, acquisition and/or relocation, and close-out.
2. Pre-agreement costs - DED encourages the earliest possible completion of the CDBG-CV environmental review for water and/or wastewater projects. MWWRC proposals that include CDBG-CV will be encouraged to commence the CDBG-CV environmental review at the time of the CDBG-CV invitation. See Step 4 below regarding preselection of grant administration services, including environmental review preparation.
3. The amounts made available by CDBG-CV to help defray the costs of administration vary in each of the categories. Please consult the detail found elsewhere in the guidelines.

STEP 3 – SELECT GRANT WRITER AND PRELIMINARY ENGINEER AND/OR ARCHITECT

The choices for the services of application preparation and preliminary engineering and the responsibility for payment of these services belong to the applicant. CDBG-CV has no restrictions on who may prepare your application and the only restriction regarding your choice of engineers or architects is that he or she must be a registered professional engineer or a registered professional architect in Missouri.

The costs associated with services to assist the community in the application preparation are NOT eligible costs under the CDBG-CV program.

There are no restrictions regarding the responsibility for completion of specific parts of an application if a community chooses to separate the parts. The Chief Elected Official and Budget Officer must understand their responsibility for the accuracy of all documents in the application for which they are required to sign.

A preliminary engineering and/or architectural report must be prepared by a registered professional engineer for any public facility improvement, or by a registered architect for the construction or rehabilitation of a building, except for residential rehabilitation. The report must be sufficient in scope to analyze the need, determine the most appropriate solution, provide a cost estimate, and determine the level of operation and/or maintenance necessary to sustain the improvement.

The following is a sample content of the preliminary engineering report

Engineering Report Content

The following is a sample content of the preliminary engineering plan.

1. Title Page
 - a. Name of project.
 - b. Owner of system
 - c. Preparer name, address, phone, and fax numbers
 - d. Date of submittal.
 - e. Project Information Summary (USDA/RD CF Guide 20)
 - f. Maps, photographs, and sketches that will indicate legal and natural boundaries, major obstacles, elevations, general service area, etc.
2. Existing Description
3. Description of Need
 - a. Present the need for new construction, expansion, or upgrade of existing facilities. Include health and safety concerns and Operation and Maintenance (O & M) concerns
 - b. Status and future needs

4. Projected Population
5. Alternatives Considered (Minimum Of Three)
 - a. Describe each alternative. (Include design parameters used, schematic layout map, land requirements, construction problems, etc.)
 - b. Indicate construction and average annual operation and maintenance cost for each alternative.
 - c. Always consider regionalization.
6. Recommended Alternative For Proposed Project
7. Reason For Selection Of The Recommended Alternative
8. Total Project Cost And Anticipated Annual O&M Cost Of Proposed Project
9. Project Financing
 - a. Explain how the applicant will administrate the project.
 - b. Explain how construction cost and additional operation and maintenance, including replacement, cost will be covered.
 - c. Include present and projected user charge rates.
 - d. Present existing and proposed project budget for applicant. Include O&M costs, capital improvement costs, debt repayment and status of reserve accounts.

List out the annual amount needed for short-lived assets in the following categories:

1-5 Years _____ 5-10 Years _____ 10-15 Years _____

Also show the annual amount needed for long-term assets.

10. Environmental Review
 - a. Describe impacts that the proposed project may have on the environment.
 - b. Indicate which agencies will be contacted for environmental clearances and provide any anticipated requests from these agencies.
 - c. Specify anticipated changes to water quality that may result from the proposed project
 - d. Describe the environment without the proposed project.

- e. Maps, photographs, studies and narratives. These materials should provide information on the location and significance of important land resources (farmland, rangeline, forestland, wetlands and 100/500 year floodplains, including stream crossings), historic sites, endangered species and/or critical habitats, etc., that must be considered in project planning.

11. Conclusion

- a. When does the applicant anticipate receiving funding and why.
- b. Present need for project.
- c. Any additional information and/or recommendation.

Architectural Report Content

1. Name of applicant or owner of the facility
2. Name, address, telephone of the architectural firm
3. Date of report
4. Statement summarizing the goals of the project and the design principles governing the project (e.g. principles may be public spaces receive the highest level of preservation; preserving the primary elevations of the building was important; retaining as many original design elements as possible was important, etc.).
5. Photographs of existing conditions exterior and interior labeled and keyed to the site map and floor plans. Preliminary photographs can be color or black and white.
6. Topographic Map
7. Area map: Shows where the project is located in the city or town
8. Site map: Shows building[s] and/or site and adjacent street, with appropriate notations, such as a north arrow and main entrance of the building.
9. Proposed floor plans: Complete scaled floor plans of the proposed structure. Indicate all new construction.
10. Demolition Plans: Complete scaled floor plans of the existing structure. Indicate all proposed demolition. Elevation sections (even in sketch form) must be submitted as part of the preliminary architectural plan.
11. Elevations: All elevations of the existing building. If any elevation is to be changed, those changes must be noted.
12. Sections: Sections should be provided when necessary to understand the project. Call the SHPO to determine if Sections are necessary.

13. Specifications: Specifications must be provided; general notes are acceptable in the preliminary stages of a project.
14. Architect should include in plan a statement or certification that all improvements are consistent with the Americans with Disabilities Act and related laws.
15. Alternates must be included.
16. Preliminary Architectural Report must be signed and sealed by the Missouri licensed architect.

Submit renderings if available.

Note: Floor plans, elevations and sections must be drawn and notated with standard architectural forms and notations (e.g. plans must be drawn accurately; the entire building should be drawn; the width of the walls should be shown; doorways and door swings indicated, materials indicated when appropriate, etc.).

STEP 4 - REVIEW THE ADMINISTRATOR AND DESIGN ENGINEER AND/OR ARCHITECT AND OTHER PROFESSIONALS PRE-SELECTION PROCESS (OPTIONAL)

The choice of who administers and designs a project is the applicant's choice. It might very well be the most important decision an applicant makes. How it is done depends upon who is expected to pay for the service. If the applicant intends to ask CDBG-CV to pay for all or a portion of the fees, then the CDBG-CV procurement guidelines must be followed. See section in Step 3 regarding direct contracting with RPC or COG.

It is possible to procure for the grant writer and administrator in one step. It is also possible to procure for the preliminary engineer and the design engineer in one step. The key is to keep the costs associated with each activity separate.

A contract may not be signed incurring CDBG-CV funds prior to grant award, unless a statement is included which states the contract is "contingent" upon CDBG-CV funding. The applicant must protect itself from any obligation in the event that CDBG-CV funds are not awarded.

Environmental Review: If a grantee wishes to commence the environmental review process prior to grant approval, but wants those costs to be eligible for CDBG-CV if the project is funded, the grantee must pre-select a grant administrator in accordance with CDBG-CV procurement requirements, who will then either prepare the environmental review or subcontract it to another firm or individual. If the project is awarded CDBG-CV funds, and this procurement of grant administrator meets minimum CDBG-CV requirements, the portion of the

administration cost related to environmental review will then be an eligible CDBG-CV cost. If the project is not awarded CDBG-CV funds, any such costs are the responsibility of the grantee.

Applicants must comply with RSMo 1983, Section 8.285-8.291, in the procurement of architectural, land surveying, or engineering services, unless the applicant has adopted its own procedure. The CDBG-CV program has adopted 24 CFR Part 570.489(g), with parts of 2 CFR 200, except the maximum allowance for small purchases shall remain at \$25,000. Procurement, as discussed in CDBG-CV's Administrative Manual must be complied with if CDBG-CV funds are involved in the compensation of professional services.

Applicants must comply with procurement standards regarding "Other Professional Services." If the project requires "Other Professional Services," additional procurement may be required. The type of procurement procedure necessary is dependent upon the service. If the service does not require a licensed engineer then the applicant must procure using a "Request for Proposal (RFP)". This service cannot be included as part of the engineering contract.

Grant Administration: The process of pre-selecting a grant writer and grant administrator is as follows:

1. The applicant must fully understand the definition of the term "lowest and most responsible" bidder. Applicants must base the selection of their desired professional services on the combination of the lowest (referring to price or cost) and most responsible (referring to the individual and/or firm who offers the best qualifications in regard to the evaluation factors that the community decided were important).
2. The applicant must determine which evaluation factors (from the list found on the sample Request for Proposals) are the most important to their circumstances. This could take the form of applying a point scoring system to each evaluation factor and subsequently giving bidders points based upon their responses. Once the point scoring system is applied to each bidder, the community would then determine the lowest and most responsible proposal using a fair system.

Note: Since a community may ultimately select a firm who may not be the lowest bidder, their selection criteria (the weighting of the importance of the factors) becomes the record of their process. It must be logical and must support the final decision. Indications of arbitrary decisions will result in questions regarding the procurement by CDBG-CV staff and project auditor.

3. Once the importance of the evaluation factors has been determined a Request for Proposals (RFP) must be drafted. The RFP should include the amount of CDBG-CV funds proposed for the project. Until this amount can be determined, the preselection process should not begin. It is imperative that all bidders have equal opportunity to use the amount of proposed CDBG-CV funding dollars to base the amount of their proposal. The RFP must clearly indicate that bids are being solicited for both grant writing and grant administration. Evaluation factors should include:
 - a. The specialized experience and technical competence of the firm with respect to the type of services required.
 - b. The capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project.
 - c. The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules.
 - d. Except for engineering and architectural professional services, price must be an evaluation factor. The importance of each of the above factors should be stated in the publicized notice.
4. In order to comply with CDBG-CV policy, a copy of the RFP must be made available to the regional planning commission that serves the area in which the applicant is located, and all grant administrators as stated on the published CDBG-CV administrator list IN ADDITION to all other proper procurement procedures. Failure to follow required procurement procedures will either disallow the use of CDBG-CV funds to pay for the service or the process will have to be repeated correctly.
5. Activities to ensure a broad solicitation of all other known or existing firms capable of completing the work must also be made. This may take the form of a publication in a newspaper or further solicitation via the mail. Even if newspaper publication is used, documentation must be kept proving solicitation of adequate number of qualified sources
6. Attention must be made to directly solicit Minority Business Enterprise (MBE), Women's Business Enterprise (WBE), and Section 3 firms as required by law. Note that all of these steps are the applicant's attempt to receive a minimum of three or more responses.
7. The RFP should also generally describe the scope of the work that the bidder will be expected to perform. Competitors in the selection cannot carry out the procurement procedures, doing so could result in disqualification. The RFP must clearly separate the scope and cost of the

services associated with preparing the application, and the scope and cost associated with administration of the grant.

8. The RFP should include a deadline date for receipt of any or all bids (e.g. July 15, 2018 at 5:00pm). The applicant cannot entertain any bids after the deadline. An adequate amount of time for all bidders to prepare a proposal should be built into the schedule.
9. Once all bids have been received references should be checked. The only way for an applicant to secure good information about how a person or a firm performed similar administrative duties is to call the other cities and counties for which they have performed the service and ask for their opinion. CDBG-CV staff cannot and will not provide comments regarding the administrative performance of any person or firm.
10. Apply the established evaluation point criteria.
11. Determine the lowest and most responsible bidder.
12. Execute an appropriate contract and remember, if the contract is executed as part of a pre-selection process (prior to award announcements by CDBG-CV) there must be a clause included, which makes it contingent upon the receipt of the CDBG-CV grant award. Cost plus a percentage of construction cost method of contracting cannot be used. A cost plus fixed fee (with a maximum amount) or lump sum basis contract is recommended.

Engineering and/or Architectural Design and Construction Inspection: The process for selecting an engineer to design and inspect a project requires a little different process than the one for administration. Cost or price is not a factor in the initial selection process of an engineer or architect, and a Request for Qualifications (RFQ) is used to solicit bids. The applicant can utilize the following evaluation factors (experience, technical expertise, competence, capacity, capability, past record, cost controls, quality of work, ability to meet schedules, proximity to area, familiarity with area, etc.).

1. The applicant must determine which evaluation factors (from the list found on the sample RFQ are the most important to their circumstances. This could take the form of applying a point scoring system to each evaluation factor and subsequently giving bidders points based upon their responses.
2. Draft a RFQ. The RFQ tells the bidders what you are looking for and allows them to respond in turn. The RFQ must clearly indicate that responses are being solicited for both preliminary engineering and design. (Note:

Construction Inspection may or may not be part of this solicitation. That decision is up to the community.)

3. Actions to ensure a broad solicitation of all other known or existing firms capable of completing the work must also be made. This may take the form of a publication in a newspaper or further solicitation via the mail.
4. Attention must be made to directly solicit MBE and WBE firms as required by law. Note that all of these steps are the applicant's attempt to receive three or more responses.
5. Include the Scope of Work in the RFQ. The RFQ must clearly separate the scope of the services associated with preliminary engineering report, and the scope of services associated with preparing the engineering design.
6. The RFQ should include a deadline date for receipt of any or all bids (e.g. December 15, 2017 at 5:00pm). The applicant must not entertain any bids after the deadline. An adequate amount of time for all bidders to prepare a proposal should be built into the schedule.
7. Once all bids have been received, references should be checked. The only way for an applicant to secure good information about how a person or a firm performed similar engineering duties is to call the other cities and counties for which they have performed the service and ask for their opinion. CDBG-CV staff cannot and will not provide comments regarding the engineering performance of any person or firm.
8. Apply the evaluation point criteria to each bid.
9. Determine the most qualified bidder.
10. Once this stage has been completed and adequately documented an interview and negotiation process may begin with the engineering firm who rated the highest according to the evaluation criteria. It is important for the applicant to negotiate a cost that is a fair and just amount relevant to the work required, and within their ability to pay (amount budgeted). In the event that negotiations fail, the applicant has no obligation to enter into a contract simply because the engineer rated the highest. If the applicant wishes to eliminate the firm they may document the failed negotiation and move to the next highest scored firm on the evaluation list. An applicant may NOT initiate a bidding war between two engineering firms and they may NOT demand more of one firm than another.

11. Enter into the appropriate contract and remember, if the process is pre-selection, then include the clause that the contract is “contingent” upon award of grant funds.

(SAMPLE FOR PRESELECTION)

(Should not replace recommended action from Legal Counsel)

REQUEST FOR PROPOSALS

PROFESSIONAL ADMINISTRATIVE SERVICES

The City of Anytown requests proposals for preparation of a grant application and subsequent administration services to assist in a proposed project to be partially financed with Community Development Block Grant (CDBG-CV) funds. The city intends to make application for \$500,000 in CDBG-CV funds. The remainder of the project is being financed by the city's \$300,000 bond issue. The project consists of municipal water system improvements.

Grant application preparation shall include, but is not limited to, preparation and submittal of all completed grant forms by the appropriate deadline, LMI determination, coordination with preliminary engineering report, etc.

Administration services shall include, but are not limited to, the implementation of the project in conformance with the following CDBG-CV compliance areas: ***NOTE! Must insert compliance areas applicable to project.***

Information provided to the city shall include:

The specialized experience and technical competence of the firm with respect to grant preparation and administration, and related work;

The past record of performance of the firm with respect to such factors as accessibility to clients, quality of work, and ability to meet schedules;

Capability of carrying out all aspects of grant related activities;

Cost of services (clearly separate the cost associated with grant preparation and administration services);

References from previous clients of related work with the firm within the past five years.

Documentation of compliance with E-Verify requirements.

(State chosen criteria) above shall receive priority weighting in final selection.

The above information should be submitted no later than June 30, 2018, 5:00 p.m., City Hall, 111 First Street, Anytown, MO 66000. For more information contact City Clerk at 555-555-5555. The City of Anytown is an Equal Opportunity Employer, and invites the submission of proposals from minority, women, and Section 3-owned firms.

(SAMPLE FOR PRESELECTION)
REQUEST FOR QUALIFICATIONS
PROFESSIONAL ENGINEERING SERVICES

The City of Anytown requests qualifications for preliminary engineering services and subsequent engineering design services to assist in a proposed project to be partially financed with Community Development Block Grant (CDBG-CV) funds. The remainder of the project is being financed by the city's \$300,000 bond issue. The project consists of municipal water system improvements.

Information provided to the city must include:

1. The specialized experience and technical competence of the firm with respect to water system improvements or related work;

The capacity and capability of the firm to perform the work in question, including specialized services, within a period of twelve months beginning July 1, 2018;

The past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules;

The firm's proximity to and familiarity with the area in which the project is located; and

References from previous clients of related work with the firm within the past five years.

Documentation of compliance with E-Verify requirements.

The firm will be selected based on the above qualifications. Once the most qualified firm is selected, a cost for preliminary engineering will be negotiated separately from the cost for engineering design.

The ability to begin work immediately and guarantee submittal to DNR within twelve months plus (c) above shall receive primary consideration. The above information should be submitted no later than June 30, 2018, 5:00 p.m., City Hall, 111 First Street, Anytown, MO 66000. For more information contact City Clerk at 555-555-5555. The City of Anytown is an Equal Opportunity Employer, and invites the submission of proposals from minority, women, and Section 3-owned firms.

Existing Contracts: A previously existing contract for professional services cannot be extended to cover a new project. The exception to this might be a one-year extension of an engineering or administrative contract if the project applied for is basically the same as the previous year. Retained professional services require review by DED to determine eligibility for payment.

Maximum Fees:

Engineering Design: The American Society of Civil Engineers Manual No. 45 describes the percentage of construction cost method of compensation. The curves indicated in the ASCE Manual will be used as a guide to the maximum cost allowable. While the State may use this as a method of determining the amount of funds allowed to a city and/or county grantee, the grantee may not use these curves as the only basis for determining the compensation of an engineering firm. DED suggests using either a cost plus a fixed fee, with a maximum amount, or a lump sum, as described in the ASCE manual. DED will pay for engineering design and inspection on CDBG-CV construction monies only.

TABLE A (below) indicates projects of an above-average complexity, which includes water treatment plants, complex bridges, pumping stations, intercepting and relief sewers, sanitary sewer lines under 24 inches diameter, and water distribution lines under 16 inches diameter. **Use the percentage that is within the construction cost range, i.e. construction cost is \$378,555, the percentage used to figure engineering design would be 9.18%.**

TABLE B (below) indicates projects of average complexity, which include conventional bridges, roads and streets, storm sewers and drains, sanitary sewers 24 inches and larger diameter, and water distribution lines 16 inches and larger diameter. **DED reserves the right to reduce the proposed engineering cost in the application for projects of lesser complexity.**

NET CONSTRUCTION COST	TABLE A %	TABLE B %
\$ 40,000	13.67 %	10.27 %
\$ 50,000	13.22 %	9.99 %
\$ 60,000	12.76 %	9.71 %
\$ 70,000	12.43 %	9.52 %
\$ 80,000	12.10 %	9.32 %
\$ 90,000	11.87 %	9.17 %
\$ 100,000	11.63 %	9.01 %
\$ 150,000	10.44 %	8.56 %
\$ 200,000	10.25 %	8.11 %
\$ 250,000	9.85 %	7.85 %
\$ 300,000	9.45 %	7.59 %
\$ 350,000	9.18 %	7.42 %
\$ 400,000	8.91 %	7.24 %
\$ 450,000	8.72 %	7.12 %

NET CONSTRUCTION COST	TABLE A %	TABLE B %
\$ 500,000	8.52 %	7.00 %
\$ 550,000	8.38 %	6.90 %
\$ 600,000+	8.24 %	6.80 %

Construction Inspection: Construction inspection costs will be limited to a maximum 75% of CDBG-CV-funded engineering design costs.

Architect Fees: The American Institute of Architects suggests 10% of construction costs as the fee for architectural design. Inspection then may be computed as 75% of design.

Administration: For the purpose of budgeting an application, applicants may not propose more than amounts in the following chart:

CDBG-CV APPLICATION CATEGORY	ADMINISTRATION BUDGET ALLOWANCES
Water and/or Wastewater	\$10,000 plus 4% of the amount of the CDBG-CV proposed for water wastewater activities
Community Facility/Workforce Training	\$10,000 plus 4% of the amount of the CDBG-CV proposed for the Community facility activities
General Infrastructure/Downtown Revitalization	\$10,000 plus 4% of the amount of the CDBG-CV proposed for infrastructure activities
Demolition	\$10,000 plus 4% of the amount of the CDBG-CV proposed for demolition activities
Economic Development	\$10,000 plus 4% of the CDBG-CV request
Planning	\$10,000 plus 4% of the amount of the CDBG-CV proposed for planning activities
Public Services	\$10,000 plus 4% of the amount of the CDBG-CV proposed for public service activities

Administrative line items include all publishing fees, all rehabilitation management, etc. Therefore, grantees should not contract for the total administrative amount unless the administrator is to pay for all such items or the grantee has agreed to pay for such items. Audit costs are budgeted separately from administrative costs. Also, applicants should not budget for a cultural resource survey. (The maximum amount of CDBG-CV funds allowable for clearance of Historic Preservation requirements is \$5,000. These monies will be

awarded as a grant increase once services are procured and amount needed is known if the maximum grant amount has not already been awarded.)

Demolition Inspection: Demolition inspection is limited to \$425 per unit.

Land Surveying: Any surveying costs will need to be procured separately from design work to be considered eligible for CDBG-CV funding. The maximum amount of CDBG-CV funds allowable for surveying is \$5,000.

If pre-selection is not a desire of the community then procurement information will be provided following award.

STEP 5 – CONSIDER THE ENVIRONMENTAL REVIEW

All projects and related activities undertaken by CDBG-CV applicants and grantees are subject to the provisions of the *National Environmental Policy Act of 1969*, as amended (NEPA), which established national policies, goals, and procedures for protecting, restoring and enhancing environmental quality. In addition to NEPA requirements, CDBG-CV-assisted projects are also subject to other related laws and Federal, State, and local authorities.

***REQUIREMENT:** All CDBG-CV applications must include the most current Federal Emergency Management Agency (FEMA) designated floodplain map, or if unmapped, documentation from the most reliable source(s).

WHO IS RESPONSIBLE FOR THE ENVIRONMENTAL REVIEW?

EVERY project requires some level of environmental review. The CDBG-CV Responsible Entity (RE) (otherwise known as the applicant or grantee, and always a unit of local government) must evaluate how the project affects the environment and what impacts the environment may have on the project, including short term, cumulative and long term impacts. RE's are required to follow specific procedures for carrying out Federal environmental review responsibilities as specified in **24 CFR Part 58:**

http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr58_04.html.

The CDBG-CV RE assumes responsibility for the environment review, environmental decision-making, and all environmental actions through the course of a project. The environmental review cannot be waived in any circumstance. The CDBG-CV applicant or grantee must provide written proof of compliance with NEPA and related laws and authorities.

WHO CAN COMPLETE THE ENVIRONMENTAL REVIEW FOR CDBG-CV FUNDS?

The CDBG-CV RE determines who has the knowledge, qualifications, and experience necessary to assist in preparing the environmental documents. Commonly used options include existing city or county staff person, engineer,

architect, regional planning commission and/or council of government, and private grant consultant, etc.

CAN A PROJECT BEGIN BEFORE THE ENVIRONMENTAL REVIEW?

In short, no – a project must not begin prior to the completion of the environmental review if the project or activity would have an adverse environmental impact or would limit the choice of reasonable alternatives in the project. CDBG-CV recipients must not obligate CDBG-CV funds or expend funds from any source, private or otherwise, for use in a CDBG-CV-assisted project. No new construction, excavation, demolition, rehabilitation, repair, modification, or property acquisition (including all types of easements) may commence nor commitment made to undertake such activities, until the CDBG-CV environmental review is complete and DED has issued formal approval.

IS THE ENVIRONMENTAL REVIEW CONDUCTED ONLY ON CDBG-CV-ASSISTED ACTIVITIES IN A PROJECT?

No - all activities proposed by all funding sources (CDBG-CV, local match, private funds, other State and Federal agencies' funds, etc.) help to achieve the goal of a project. All activities must be environmentally reviewed, not simply those being funded through CDBG-CV. A project is the aggregation of all geographically & functionally related activities, regardless of funding source, that accomplish a goal, becoming the basis for the environmental review. Projects must not be parsed into individual activities to enable separate, small-scale reviews. Rather, the project as a whole dictates the level of review required.

CAN AN ENVIRONMENTAL REVIEW COMPLETED BY ANOTHER AGENCY BE USED FOR CDBG-CV FUNDS?

Possibly – a CDBG-CV RE can use another agency's environmental report if it is reasonably current, includes the area of the proposed CDBG-CV project, and is similar in scope. Reports and assessments can be supplemented to ensure HUD and/or CDBG-CV environmental compliance requirements are met. If there is more than one Federal funding source in a project, the CDBG-CV Responsible Entity must cooperate with the other agency(ies) to reduce duplication between NEPA and comparable environmental review requirements. A single environmental assessment may be prepared by one agency and used by other agencies participating in the same or geographically-related project. Be aware that other agency environmental notices do not meet HUD compliance. You must publish HUD and CDBG-CV Environmental Notices.

PUBLIC PARTICIPATION & THE ENVIRONMENTAL REVIEW

Public participation is a critical component of the environmental review process, particularly for meeting compliance of the Section 106 review process for identifying historic properties and resources, and for promoting effective

planning, project development, implementation, and compliance with NEPA and HUD environmental requirements. If a public hearing is held, the project must be explained in detail and reflected as such in hearing minutes. This is the RE's only means of defense should anyone challenge the project information the RE revealed to the public. There are many ways to involve the public, but the most commonly used method is via the public hearing required to make application to CDBG-CV. The type of public involvement will depend upon various factors, including but not limited to, the nature and complexity of the undertaking, the potential impacts of the project, and the likely interest of the public in the project and environmental impacts.

HOW SHOULD AN ENVIRONMENTAL REVIEW BE CONDUCTED ON PROJECTS THAT WILL OCCUR IN PHASES OR OVER THE COURSE OF TIME?

Multi-year or multi-phased projects are those that evolve over several years, as commonly occurs in large-scale and/or regional water and wastewater projects. The environmental review must consider the relationship among all components of the multi-year and/or phased project regardless of the source of funds, addressing and evaluating their cumulative, direct, and indirect environmental effects. The environmental review report shall contain a clear description of all known activities proposed throughout the course of the multi-year or multi-phased project, a timetable or schedule of the activities, and whether the environmental review is intended to encompass the project over time, in phases. Each phase must be explained in as much detail as possible at the time of the initial review. The environmental review will become a working document that should be amended as needed through the course of the entire project.

WHAT IF CHANGES TO THE PROJECT ARE PROPOSED AFTER THE PROJECT WAS ENVIRONMENTALLY REVIEWED?

If at any time the project scope changes, if new circumstances and/or environmental conditions arise, or if alternatives not considered originally are selected, the impacts of the changes and/or activities must be reassessed, and the original finding reviewed for validity. If a new finding is made, new environmental notices must be published and a new Request for Release of Funds and Certification process is required.

HELPFUL TIPS WHEN COMPLETING AN ENVIRONMENTAL REVIEW

- Provide detailed explanations and descriptions as if no one knows anything about the project. Do not complete documents for the benefit of CDBG-CV staff. Complete documents as if they will be read by the general public.

- The project description should remain virtually identical on all forms and documents. This includes funding applications, engineering and architectural reports, and environmental forms.
- Compliance must be clearly documented by acceptable source documentation. Without documentation, there is no evidence compliance is achieved with all applicable laws and authorities.
- Ensure all supporting documentation is current. Circumstances change – make sure you obtain the most up-to-date information.
- For more information, current environmental review forms and for how to get started contact CDBG-CV or access the CDBG Administrative Manual online: www.ded.mo.gov/BCSPrograms/.

STEP 6 - COMPLETE PROJECT BUDGET PACKAGE

Determine the ability of the community to finance the priority needs using surplus or reserve funds, capital improvement funds, or debt. The maximum amount of local funds should be used to finance a project before CDBG-CV assistance is requested.

All other funding sources applicable to the project should be committed prior to requesting CDBG-CV assistance. Actual approval of the other funding must have been gained by the time a CDBG-CV application is submitted if requesting CDBG-CV funds. The only exception is a bond election. CDBG-CV dollars may only be used to fulfill unmet needs. The Application checklist includes a line item for Local Effort, which will include an attached copy of financial statement, schedule of uses for yet unspent CARES Act funds, schedule of uses for The American Rescue Plan Act of 2021, and narrative explaining how CDBG-CV funds are filling a financial gap relative to other resources.

Local Funds for Private Purposes: State law does not allow political subdivisions to provide funds from their resources for private purposes (such as housing rehabilitation); however, this would not apply to the administrative or oversight functions of such activities.

Other Public Facility and/or Public Project Funding Sources: Applicants generally may not use CDBG-CV funds to replace funds from another agency or other sources that are available for a project. All applicable state or federal programs must be considered for feasibility by the applicant prior to requesting CDBG-CV funds. Such other sources for public facilities include, but are not limited to:

1. CARES Act

2. The American Rescue Plan Act of 2021
3. USDA, Rural Development
4. Missouri Department of Natural Resources (DNR)
5. Missouri Department of Transportation (MoDOT), Bridge Replacement and Rehabilitation Program.
6. Missouri DNR, Division of Parks and Historic Preservation, Land and Water Conservation Fund (LWCF).
7. Tax Credit Programs
8. Private Foundations
9. Federal Home Loan Bank

STEP 7 – CONDUCT PUBLIC HEARING

Eligible Dates: A public hearing must be held prior to the submission of an application. The applicant must publish a notice in a local newspaper at least 5 full days prior to the hearing. A standard format must be used for the notice, and a record of the proceedings of the hearing must be made.

Citizen Participation: All applicants for and recipients of CDBG-CV funds shall be required to conduct all aspects of the CDBG-CV program in an open manner with access to records on the proposed and actual use of funds for all interested persons. All records of applications must be kept at the applicant's office and be available during normal working hours. Any activity of the CDBG-CV program, with the exception of confidential matters relating to the housing rehabilitation, shall be open to examination by all citizens.

The applicant must provide technical assistance at the level of expertise available at City Hall to groups representative of persons of low and moderate income that request such assistance in developing proposals. All application materials and instructions shall be provided at no cost to any such group requesting same.

Citizens shall be provided adequate and timely information, so as to enable them to be meaningfully involved in important decisions at the various stages of the program including: (1) the development of needs, (2) the review of the proposed activities, and (3) review of past program performance, in the following manner:

1. At least one public hearing shall be held prior to an application being submitted. This hearing shall be scheduled at a time and location felt to be most likely to make it possible for the majority of interested citizens to

attend without undue inconvenience. The hearing must address the development of the needs and review of the proposed activities.

2. Notification of any and all hearings shall be given a minimum of five full days* in advance to allow citizens the opportunity to schedule attendance. Notification shall be in the form of display-type advertisements. The community may choose to:
 - a. advertise in a local newspaper of widest circulation,
 - b. post advertisement in areas providing the largest access to the public, or
 - c. both a and b.
3. All hearings must be held in a facility that is accessible to people with disabilities.

Note: Provisions for interpretation shall be made available at all public hearings for non-English speaking residents, if 15% or more of such residents are expected to be in attendance.

* For the purpose of this process, "full days" is defined as neither day being counted on either end of the time period (i.e., five full days before public hearing would actually be seven days since beginning and ending days cannot be counted).

Public Hearing Notice Requirements: As stated above, the public hearing must address the development of the applicant's community development needs and proposed activities to be contained in the application. Minutes of all public hearings should be maintained indicating topics covered in order to document grant requirements. The newspaper notice must include the following information:

1. The city and/or county intends to submit an application for CDBG-CV funds.
2. The maximum grant amount.
3. The type of activities that may be undertaken, include the improvement of public works, public facilities, housing rehabilitation, and others as allowed by law.
4. National objective must be stated.
5. There will be minimization of displacement of persons resulting from the project, and assistance to any displaced persons would be provided according to the Uniform Relocation and Real Property Acquisition Act of 1970 as amended, Section 104(d), Section 104(k) or Section 105(a)(11) of the Title I Act.

6. The city and/or county is soliciting citizen input on the entity's on-going community development needs.
7. Description of proposed project for which the city and/or county is applying.
8. Total estimated project cost, including amount being applied for, other state and/or federal funds, local contribution proposed, etc.
9. Specific location of project, either community-wide or boundaries (by name) of target area.
10. Percent of LMI benefit of the proposed project (if known), or at least 51%.
11. Encouragement of area residents to attend.

(SAMPLE)

PUBLIC HEARING NOTICE

The City of Anytown will hold a public hearing on January 3, 2018, 7:00 p.m. at City Hall located at (insert address) to discuss the city's submission of an application for the fiscal year 2018 Community Development Block Grant (CDBG-CV) program. The city is interested in obtaining all citizens' input on community development needs within the city. As part of the hearing process citizens will be asked to verbally assist in the completion of a Needs Assessment document. The document will detail what the residents feel are the strengths and weaknesses of the community. The city needs as much local participation as possible in order to reflect the true desires of the community as a whole, as well as the comments relating to the proposed project application. The State has established a maximum application request for each funding category. Activities that are eligible for funding include the improvement of public works, public facilities, housing rehabilitation, and others allowed by law. At least 51% of the funds must be used to benefit low-and-moderate income persons. No displacement of persons will be proposed.

The city is proposing to replace some sewer lines, and install some new sewer lines and lift station in the southeast part of the city. The area to be addressed is bounded by Main Street on the east, Gordon Street on the west, BN Railroad on the north, and City Limits on the south. The total project cost is estimated at \$322,000. The city proposes to contribute \$48,000 in cash, \$45,000 in-kind labor by city crews, with grant funds of \$229,000 needed to make up the balance. The project, if funded, will benefit 57% low/moderate income persons. All citizens, including those in the targeted area, are encouraged to attend in order to comment on the proposed activities.

For more information on the proposed project, contact Jane Doe at 314/888-8888 or by email at jane.doe@anytown.mo.gov. If you need special accommodations for the public hearing, including LEP assistance, please contact Jane Doe by January 1, 2018 at 5:00 p.m. The meeting will be held at an accessible location and the city will make every effort possible to provide reasonable accommodations.

STEP 8 – (OPTIONAL) DISCUSS PROJECT WITH CDBG-CV STAFF

The CDBG staff of the Business and Community Solutions (BCS) division is available to discuss any questions that a community or grant writer may have regarding the proposed project and/or the application.

Often, a CDBG Representative can provide an outside perspective that communities may miss and important points may be left out of an application. At the same time, the CDBG Representatives can offer specific answers regarding what exact information must be supplied on any particular document.

STEP 9 - COMPLETE AND SUBMIT APPLICATION

Submit: Either an electronic or a hard copy of the application may be submitted to DED.

IF SUBMITTED ELECTRONICALLY:

One entire application per project, including all signatures, must be original. Please mark accordingly. Instructions and the link for uploading the electronic application and engineering report or architectural plans can be found at: <https://ded.mo.gov/CDBG-CV>

IF HARDCOPY SUBMITTED via MAIL:

Each copy of the application should be binder clipped along the left side. Please do not use special bindings or report covers.

The typewritten original application (originals signatures) and the engineering report or architectural plans (if public facility and/or public project activities are proposed) can be mailed to:

Missouri Department of Economic Development
Business and Community Solutions – CDBG-CV Program
301 W. High Street, Room 770
PO Box 118
Jefferson City, MO 65102

We suggest that you mail the application by certified mail, return receipt. Otherwise, call (573) 751-3600 a few days after you have mailed the application to be sure it was received. Engineering reports and architectural plans are due at the same time as the application.

Late Information: Also, no additional information or corrections may be made after the application is received, unless requested by DED for clarification.

Support letters: Applications or proposals must be accompanied by letters of support from the state senator and state representative.

APPLICATION CONTENT CHECKLIST

Order of Application: The application must include the following documents (in this order).

- Project Profile
- Cost Summary
- Local Effort, including:
 - Copy of financial statement
 - Schedule of uses for yet unspent CARES Act funds
 - Schedule of uses for The American Rescue Plan Act of 2021
 - Narrative explaining how CDBG-CV funds are filling a financial gap relative to other resources.
- Professional Services
- Demolition Activities, if applicable
- Narratives
- Civil Rights
- Public Participation Unmet Needs Assessment form, and supporting documentation requested
- Applicant Certification on Lobbying Restrictions
- Sub-Applicant Certification on Lobbying Restrictions
- Supplemental Section 3 Utilization Statement (if CDBG-CV request exceeds \$200,000)
- Anti-displacement and Relocation Plan
- Fair Housing Ordinance for Cities
- Fair Housing Resolution for Counties
- Excessive Force Resolution
- Procurement and Conflict of Interest Policy for Counties
- Procurement Policy Ordinance for Cities
- Conflict of Interest Policy for Cities
- LMI Survey Sheet
- LMI Survey Tabulation Sheet
- Participation Agreement (private, for profit cash contributions), Downtown only
- Participation Agreement (not-for-profit cash contributions), Downtown only
- Participation Agreement (non-cash, in-kind contributions), Downtown only
- Certification of E-Verify
- Map*
- Intergovernmental or Applicant and/or Subapplicant agreement (executed), if applicable
- Letters of Commitment, if applicable, must be attached from all other Federal and State funding sources involved. Proposed demolition projects must include letters of commitment from landlords and private property owners who wish to have a property demolished.

- Proof of Status for not-for profit organization
- Notice of Successful bond election, if applicable
- Engineering Report and/or Architectural plans **MUST SUBMIT SIGNED SEALED** report
- Current rate schedule for water and/or wastewater, if applicable
- Support letters from state senator and representative

*** Map:** A map showing the specific location of proposed public facility and/or public project improvements and/or the housing target area must be included in each copy of the application. For public facility and/or public project activities, the map must include as much **detail** as possible, showing the location of specific improvements proposed. The plans included by the engineer and architect must show detailed specifics about the project and may require additional maps.

APPLICATION SELECTION CRITERIA

Applications that meet the eligibility requirements of the program, meet the priority and non-priority criteria in comparison to the other projects submitted, will be eligible for approval.

NOTE: Separate applications must be submitted for each category of beneficiary.

INELIGIBLE APPLICATION EXAMPLES

If any of the following items are found in the application, the application is automatically ineligible.

- National Objective not met.
- LMI determination incorrect, i.e., used census when should have surveyed; did not survey 100% of beneficiaries, census data did not fit project, 80% return rate not obtained, etc.
- Wrong applicant.

General Definitions

NEED refers to the extent to which adequate documentation supports the actual demand.

IMPACT refers to the extent to which the project impacts a significant portion of the population defined in need.

LOCAL EFFORT measures the extent to which local support is offered to the project as compared to what is available to offer.

PAST EFFORTS are defined as all previous actions taken by the applicant to address the need.

HEALTH AND SAFETY measures the relationship between actual existing or the likeliness of the potential of physical harm to the population defined in the need. Third party documentation rather than general statements enhances the scoring in this category.

STRATEGY is the extent to which the method chosen to fix the problem represents the most efficient and effective solution while maintaining a direct relationship to solving the need. A clear, fair representation of examination of alternatives leading to the final strategy chosen is requested with each application.

RESILIENCE is defined as the ability to anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from disruptions. Such disruptions may include, for example, a local drought, a precipitous economic change, social unrest or riots, short-term or intermittent failure or under-performance of infrastructure such as the electrical grid. Resilience may be incorporated into the project strategy.

COST EFFECTIVENESS is measured as the extent the applicant has undertaken to evaluate the best possible cost for the result. This measure is often calculated as cost per beneficiary from total project costs and cost per beneficiary from CDBG-CV costs only.

OPERATION AND MAINTENANCE is measured by the actual documented process for which a budget, experienced personnel, and written plan are available and provided in the application.

PROJECT READINESS is measured by the actual upfront administrative work completed that provided the ability of the project to begin immediately after award. Applicants must demonstrate, via documented means, their ability to start and complete the proposed project in a timely manner. Applicants must provide a proposed expenditure schedule as part of the application and must demonstrate the ability to meet that schedule of performance. Examples of

project readiness are, but are not limited to: preselection of grant administrator and/or engineer and/or architect, and substantial completion of environmental review.

LEVERAGING is defined as the percentage of local funds dedicated to the project in relation to what the applicant's budget and/or financial statement shows.

IN-KIND CONTRIBUTION is defined as the non-cash local effort that is committed to the project by the applicant. A clear indication of value for labor and equipment should be included to substantiate the total amount offered.

USE is defined as the volume and frequency of use by the population benefiting from the project.

REPETITIVE PROPERTY DAMAGE is the actual number of times and the frequency (can be last 10 years) that damage has occurred.

ECONOMIC IMPACT refers to the impact that the completed project will have on the local economy. This consists of increased jobs, increased private investment, and/or increased local revenue stream. The project must contribute by positively impacting the conditions that allow these measures to increase.

MEASURABLE OUTCOMES OR GOALS is the degree to which the applicant has the ability to measure the impact and success. The need, strategy, and goals and ways to measure success should be intertwined and clearly represented in the application. (For each application incorporating a resilience building component, a distinct series of measurable outputs and outcomes related to the resiliency component must be included in the application and subsequently included in project reporting.)

ENVIRONMENTAL IMPACT is the degree to which the problem or need has a documented negative impact on the environment. Environment takes a broad definition that includes all of the issues related to the National Environmental Policy Act (NEPA) process.

TMF NEED stands for local need for technical, managerial, and financial capacity related to the operation of a water and wastewater system

TMF CAPACITY INCREASE is the extent to which the project will naturally cause an increase in the technical, managerial, and financial capacity related to the operation of a water or wastewater system.

FUTURE SUSTAINABILITY is the likelihood that the project will be functional and operational well into the future and will perpetuate its own growth.

PAST PERFORMANCE represents the performance of the applicant (city and/or county) on prior funded CDBG-CV projects. In addition, it represents the performance on prior CDBG-CV projects of the sub applicant (nonprofit or district) if the sub applicant was involved in a previous CDBG-CV project. It also

includes the prior performance on CDBG-CV projects of the grant administrator and engineer and/or architect, if those firms and/or persons are known (pre-selected) at the time of this application. Past Performance includes timeliness of project completion and compliance with CDBG-CV requirements.

EXISTING and/or ESTABLISHED COMPANIES (more than 3 years of financial history): LOWER of \$2,000,000 per project or \$85,000 per new full time job.

START-UP COMPANIES a company with a financial history of three years or less; the maximum allowable CDBG-CV award will not exceed the lesser of: 50% of the cost of the public infrastructure activity(ies), \$85,000 per job to be created, or \$500,000. For all CDBG-CV industrial infrastructure projects, see below for required local government financial participation.

FREQUENTLY ASKED QUESTIONS

Using Annual Formula CDBG, FY 2019 and 2020 CDBG to prevent, prepare for, and respond to coronavirus, and CDBG-CV Funds for Rent or Mortgage and Arrearages Subsistence-Type Payments March 30, 2021 Subsistence-Type Payments of Rent or Mortgage and Arrearages

May annual formula CDBG funds be used to make rent or mortgage payments?

In accordance with 24 CFR 570.207(b)(4), CDBG funds may only be used to make subsistence-type payments such as rent or mortgage directly to a service provider, such as a landlord or lender, on behalf of an individual or family, and these emergency payments may be made for a period of no more than three consecutive months. The regulation states that CDBG funds may not be used for income payments but provides an exception for emergency grant payments. Under the exception, emergency grant payments are eligible as a public service under the authority of 24 CFR 570.201(e).

What effect will providing this assistance have on a grantee's annual formula CDBG program?

Providing rent or mortgage payments for up to three consecutive months is costly. Public services carried out with annual formula CDBG funds are subject to the 15 percent public services cap. This may mean that the grantee may not be

able to continue to provide other public services at the level it was doing so previously.

Is this also the case if CDBG-CV funds and annual formula CDBG 2019 and 2020 funds used to prevent, prepare for, and respond to coronavirus are used to pay emergency rent/mortgage payments on behalf of individuals and families?

No. The Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) (CARES Act) suspended the 15 percent public services cap for public services carried out with Fiscal Year 2019 and 2020 annual formula CDBG funds and CDBG-CV funds that are used for activities that prevent, prepare for, and respond to coronavirus.

Does the requirement that the emergency payments continue for no more than three consecutive months apply to annual formula CDBG 2019 and 2020 and CDBG-CV funds used to prevent, prepare for, and respond to coronavirus? A.

No. The CDBG-CV Federal Register Notice (FR-6218-N-01, effective August 7, 2020), states that emergency payments may be made on behalf of individuals and families for a period of no more than six consecutive months to prevent, prepare for, and respond to coronavirus.

May CDBG funds be used to pay arrearages?

Yes. In the annual formula CDBG program, CDBG funds may be used to pay rent or mortgage arrearages on behalf of individuals and families for up to three consecutive months. When using FY 2019 and 2020 funds to prevent, prepare for, or respond to coronavirus, or CDBG -CV funds, the period for emergency payments has been extended from three consecutive to six consecutive months in the CDBG-CV Federal Register Notice. Moreover, to use the extended period of six consecutive months for expenditures for FY 2019 and 2020 funds, the use of funds requirement for prevent, prepare for, or respond to coronavirus and the guidance on the period is applicable.

Are there any issues or concerns that a grantee should take into consideration if it decides to use CDBG /CDBG-CV funds to pay rent or mortgage payments on behalf of individuals and families?

Yes. As a major concern, this type of funding can be used to assist individuals/families who without this assistance may become homeless, a grantee should ensure that if rent/mortgage payments are made to bring them current that the individual/family also has the financial means to pay subsequent rent or mortgage payments. If the individual/family does not have the means, they could potentially be homeless in the immediate future, suggesting the need for a different program design. A concern for annual formula CDBG funds if this activity is assisted using 2018 or earlier, or using 2019 or 2020 funds that do not prevent, prepare for, or respond to coronavirus, is compliance with the 15 percent public services cap. The 15 percent public

services cap is statutory and cannot be waived. Exceeding the public services cap will result in the grantee being required to repay the amount spent over the cap with non-federal funds. Grantees should also be aware that providing rental assistance beyond 100 days will trigger the leadbased paint visual inspection requirements. The last two Q&As in this document provide more detailed information on how this requirement is triggered.

May the grantee impose additional requirements on individuals and families seeking CDBG assistance for rent/mortgage payments?

Yes. Although HUD advises simplicity, the grantee should create and implement policies and procedures for emergency grant payments. Beyond what is necessary to document the CDBG eligibility of the activity and national objective, the grantee may also impose requirements for documentation such as proof of seeking or loss of employment or credit counseling. The grantee should assist applicants in fulfilling the requirements outlined in its policies and procedures and any additional requirements must not contradict the CDBG programmatic requirements, including program-related civil rights and equal opportunity requirements.

May a grantee use annual formula CDBG or CDBG-CV funds to make rent/mortgage payments to anyone that requests such assistance?

No. Each CDBG-assisted activity must meet a national objective, and the CARES Act and CDBG-CV Federal Register Notice did not suspend this requirement. Emergency payments are usually carried out under the low- and moderate-income national objective, so the grantee must include documentation covering each individual or family requesting assistance with rent/mortgage payments demonstrating they are income-eligible. According to 24 CFR 570.506(b), the grantee may document income in several ways, including collecting a verifiable certification from the assisted person that his or her family income does not exceed the applicable income limit established in accordance with the regulations.

What CDBG national objective does the provision of emergency, subsistence-type payments generally meet?

This activity usually meets the low- and moderate-income limited clientele national objective provision at 24 CFR 570.208(a)(2) An activity which benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons. This can be accomplished by exclusively serving "presumed benefit" persons such as elderly, homeless, or severely disabled persons. Another way to qualify a limited clientele activity is to 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 low- and moderate-income limit, or

for the grantee's policies to limit the activity exclusively to low- and moderate-income persons.

When does the emergency payments' covered period begin?

For each assisted individual or family, the three-month period (for CDBG) or six-month period (for CDBG-CV and FY19-20 CDBG funds used to prevent, prepare for, and respond to coronavirus) begins on the date the first payment is made to a provider on behalf of an individual or family.

Does the covered period of either up to three or six consecutive months cover all arrearages or just those within the timeframe?

The emergency payments period begins when the payment is made, not when the individual's or family's arrearage began. The start of the period of three consecutive months for annual CDBG that is not being used in response to the coronavirus or of up to six consecutive months for 2019, 2020, and CDBG-CV funds used in response to the coronavirus is related to when payments are made from the grant, not the date of arrearages. If an individual or family is one or more months in arrears, a grantee may cover some or all the amount in arrears within the first month of assistance and continue through the applicable consecutive period of assistance. For example, for an individual four months in arrears on rent who applied for emergency payment assistance under CDBG-CV, the covered period may include the four months they are in arrears within the payment for the first month of assistance then continue for up to five more months to fulfill the up-to-six-consecutive-month-period allowance. The grantee must base the assistance on a need (for CARES Act, the need must be related to coronavirus preparation, response, and recovery) and cover necessary and reasonable costs. If a grantee chooses to implement subsistence payments covering arrears, the grantee's policies and procedures for the program should set clear parameters for the types, amounts, and timing for assistance for each individual or family.

What if the individual or family needs assistance with amounts they are in arrears to become current, though they may be able to skip a month within the period, would they still receive assistance for up to six consecutive months?

Yes. The assistance is based on need and if CDBG funds are needed to cover the arrears within the first month of assistance and the individual or family may be able to cover the second month then need assistance for the third month, that is an acceptable method because it is within the period of up to three or six consecutive months (based on funding source and use). Also, this demonstrates that the assistance is based on need and covers necessary and reasonable costs. If a grantee chooses to implement subsistence payments using this

method the policies and procedures for the program should outline clear parameters.

When does the requirement for a lead-based paint visual inspection come in?

The 100-day emergency grace period begins at the time of payment going forward. Once the assistance period reaches 100 days, a visual lead-based paint inspection is required. If assistance is being provided to an individual or family that covers three months of arrears within the first month of assistance, the 100 days begins at the time of payment going forward. As an emergency payments assistance period approaches the end of the 100-day grace period, the grantee must undertake visual inspection if it wishes to continue FY2019 or FY2020 CDBG or CDBG-CV assistance.

Given the coronavirus, is it acceptable to do a remote visual lead-based paint inspection?

For assistance to continue past 100 days, a visual inspection is required. Because of the coronavirus it may not be possible for an onsite visual inspection to occur. If the situation does not allow for an onsite visual inspection, the owner(s) or a surrogate may perform a remote visual inspection. Grantees are encouraged to develop policies and procedures that allow this method and the necessary documentation required for it.

Resources

The Department has technical assistance providers that may be available to assist grantees in their implementation of CDBG Funds for activities to prevent or respond to the spread of infectious disease. Please contact your local CPD Field Office Director to request technical assistance from HUD staff or a TA provider.

□ CDBG-CV Federal Register Notice:

https://www.hud.gov/sites/dfiles/CPD/documents/CDBGCV_Notice_Federal_Register_Publication_2002-08.pdf □ Submit your questions to:

CPDQuestionsAnswered@hud.gov □ COVID-19 ("Coronavirus") Information and Resources: <https://www.hud.gov/coronavirus> □ CPD Program Guidance and Training: <https://www.hudexchange.info/program-support/>