

# NOTICE OF FUNDING AVAILABILITY

## Community Development Block Grant Program

- General Allocation *for* 2005/2006
- Native American Allocation *for* 2005/2006
- Colonias Allocation *for* 2005/2006

**January 2005**



STATE OF CALIFORNIA

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STATE OF CALIFORNIA

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- General Allocation *for* 2005/2006
- Native American Allocation *for* 2005/2006
- Colonias Allocation *for* 2005/2006

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## INTRODUCTION

### 1. NOTICE OF FUNDING AVAILABILITY

The Department of Housing and Community Development (Department) announces the availability of the following State Community Development Block Grant (CDBG) Program funds: 1) approximately \$44.5<sup>1</sup> million for the 2005/2006 General Allocation funding cycle; 2) approximately \$875,000<sup>1</sup> for the 2005/2006 Native American Allocation funding cycle; 3) approximately \$3.5<sup>1</sup> million for the 2005/2006 Colonias Allocation funding cycle.

**This NOFA applies only to the funding allocations identified above.** Typical activities funded under these allocations are: housing rehabilitation programs and projects; homebuyer assistance programs; housing acquisition projects; new construction housing projects; public works projects; community facility projects; and public service programs. There are separate Funding Notices for the Economic Development and Planning/Technical Assistance Allocations. Contact the Program Secretary for information about those Funding Notices.

**NOTE:** The Application Package for the identified CDBG funding allocations is a separate document. **IF YOU ARE INTERESTED IN APPLYING FOR FUNDS, YOU MUST REQUEST THE APPLICATION PACKAGE FROM THE CDBG PROGRAM.** To obtain an application package, please fax or mail the form attached at the end of this NOFA or call the Program Secretary. Use of the form is encouraged to assure accuracy of mailing information. Alternatively, the application can be obtained from the CDBG website or from CDBG staff at any of the scheduled Application Training Workshops in January/February 2005 (see cover memorandum).

Authorizing legislation and regulations. The Program is authorized by the Housing and Community Development Act of 1974 (the “Act”) as amended<sup>2</sup>, and Subpart I of the Federal Community Development Block Grant regulations.<sup>3</sup> The requirements of the State Program are in the State CDBG Regulations, Title 25 of the California Code of Regulations, Section 7050, et seq.

Section 916 of the National Affordable Housing Act of 1990 authorizes the Department to set aside a portion of the annual CDBG allocation to the State of California to provide direct community development benefits to Colonias located in the non-metropolitan border region.

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<sup>1</sup> Source of funding is the State’s CDBG non-entitlement allocations of 2005/2006 and 2006/2007 and roll over funding from prior year’s unspent allocations.

<sup>2</sup> Title I of the Housing and Community Development Act of 1974 as amended. 42 U.S.C. 5301 et seq., Federal Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

<sup>3</sup> 24 CFR, Part 570, Subpart I.

## 2. CHANGES FOR THIS YEAR

**The 2005/2006 funding cycle and application process will be significantly different than the 2004/2005 funding round.** Changes are highlighted below. For more detailed information on these changes, applicants may contact a program representative and/or attend an Application Training Workshop that will be conducted in several locations around the State in January/February 2005.

### **Program Changes:**

- On a one-time basis, the amount awarded will be increased to \$44.5 million for the General Allocation, \$875,000 for the Native American Allocation and \$3.5 million for the Colonias Allocation.
- The limit of one activity for the 10% set-aside is waived.
- Elimination of slums and blight is now an allowed national objective in the 10% set-aside. Contact your CDBG Program representative for guidance on documenting compliance with meeting this national objective.

The following changes are being instituted to increase the timeliness of expenditures by CDBG grantees. The expenditure rate by CDBG grantees is a significant concern to HUD.

- **Jurisdictions may now apply for both programs and/or projects in a multiple funding year application.** In the past, in order to be able to apply for a multiple funding year application, jurisdictions were required to demonstrate that their project could not be completed in segments of \$500,000 or less. This is no longer a requirement.
- Under the General Allocation, applicants may apply for multi-year awards, up to three funding cycles, with a maximum annual award of \$500,000 per year and a maximum total award of \$1,500,000 for three years.
- Under the General Allocation, if an applicant has been funded for multiple annual award amounts under the multiple year award and any year is less than the \$500,000 annual cap, then the grantee can apply for additional funds up to the cap amount for that year.

Example: A jurisdiction's multiple funding year application is funded in 2005/2006 as follows:

\$500,000 for 2005/2006,  
\$250,000 for 2006/2007, and  
\$300,000 for 2007/2008.

In this scenario, this jurisdiction may apply for an additional \$250,000 for 2006/2007 and an additional \$200,000 for 2007/2008.

- Under the Native American Allocation, jurisdictions may apply for the full amount of available funding in each funding cycle. The amount applied for under the Native American Allocation does not count against the \$800,000 General and Economic Development limitation. The amounts anticipated to be available for the next three funding cycles under the Native American Allocation are as follows: \$875,000 in 2005/2006; \$585,000 in 2006/2007, and \$585,000 in 2007/2008.
- Under the Colonias Allocation, eligible jurisdictions in Imperial County may apply for the full amount of available funding in each funding cycle. The amount applied for under the Colonias Allocation does not count against the \$800,000 General and Economic Development limitation. The amounts anticipated to be available for the next three funding cycles under the Colonias Allocation are as follows: \$3.5 million in 2005/2006; \$2.3 million in 2006/2007; and \$2.3 million in 2007/2008.

**IMPORTANT NOTE FOR ALL FUNDING ALLOCATIONS:**

- In order to be eligible for funding, any application, whether for a single year allocation or multiple year allocation, must include a program/project that will be implemented in the 2005/2006 funding year and the application must also show the need for CDBG funds for that funding year.

Example: Applicants in the 2005/2006 funding cycle **must** demonstrate a need for, and apply for, 2005/2006 funds. The applicant **may** apply for 2006/2007 and/or 2007/2008 funds, but it is not required.

During the 2005/2006 funding cycle, if an applicant has a program and/or project for which 2006/2007 fiscal year funds are needed, the applicant must wait until the 2006/2007 funding cycle to apply for funding.

**3. APPLICATION TIMELINES**

a. Key dates:

NOFA release:	January 10, 2005
Application release:	January 10, 2005
<b>Application Training Workshops</b>	<b>January 25, 2005</b>
	<b>to February 17, 2005</b>
Applications due to HCD by 5:00 p.m.:	April 8, 2005
Compliance with CDBG Housing Element Requirements:	June 1, 2005
Awards announced:	June 30, 2005

- b. Application Deadline: April 8, 2005. **Applications must be received at the Department by 5:00 p.m. on the due date.** Applications that are received after the due date will be returned even if mailed before the due date and have a postmark on or prior to the deadline date.
- c. Number of copies:
1. One complete **original** set (*with original signatures in blue ink and original/certified authorizing resolutions*), and
  2. One complete copy, with all required attachments, and

Include the following documents in the front pocket of the original binder set:

3. One additional copy of authorizing resolution(s), and
4. One additional copy of all forms in **Part A**, and
5. One additional copy of all forms in **Part B**.

**ATTENTION: THE CDBG PROGRAM IS MOVING BACK TO 1800 THIRD STREET. PLEASE MAIL YOUR APPLICATION TO THE P.O. BOX IN THE MAILING ADDRESS BELOW, OR DELIVER YOUR APPLICATION TO 1800 THIRD STREET.**

d. Mail to: Department of Housing and Community Development  
Division of Community Affairs  
Community Development Block Grant (CDBG) Program  
P.O. Box 952054  
Sacramento, CA 94252-2054

Deliver to: Department of Housing and Community Development  
Division of Community Affairs  
Community Development Block Grant (CDBG) Program  
1800 Third Street, Room 390  
Sacramento, CA 95814

e. For further information

Please call a CDBG field representative or the CDBG Program Secretary at (916) 263-0485 **or** (916) 322-1560; FAX number (916) 263-0489 **or** (916) 327-6660. Please refer to Appendix A for the name and telephone number of the CDBG field representative assigned to each eligible jurisdiction.

## FUNDING GUIDELINES

### 4. FUNDING LIMITS

#### a. Maximum award limits.

- a combined total of \$800,000 per year under both the General and Economic Development components<sup>1</sup>
- \$500,000 per application, per year, for the General and Economic Development components<sup>2</sup>
- up to the amount available for the Native American Allocation<sup>3</sup>
- up to the amount available for the Colonias Allocation<sup>4</sup>
- to be eligible for future funding, an applicant must be applying for funds in the current funding year allocation.

Example: During this current funding cycle, applicants **must** apply for 2005/2006 funds and **may** apply for 2006/2007 and/or 2007/2008 funds.

Applicants wishing to apply for **only** 2006/2007 and/or 2007/2008 funds **must** wait until the following year's funding cycle to submit an application.

#### b. Limited number of awards/competitive applicant pool.

In the 2004 funding cycle, the CDBG Program received 69 General Allocation applications. One application was returned because the activity was not eligible. Sixty-eight applications were funded. Consistent with the nature of a competitive application process, there is no assurance that each application will be funded.

In the 2004 funding cycle, the CDBG Program also received 2 Native American Allocation applications and 4 Colonias Allocation applications. All 6 applications were funded. Consistent with the nature of a competitive application process, there is no assurance that each application will be funded.

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<sup>1</sup> Not counted toward this total are awards for Planning and Technical Assistance, Colonias, and the Native American Allocation.

<sup>2</sup> Under the General Allocation, jurisdictions may request up to \$1.5 million in a single application for a single project or multiple projects, or for programs, or for a combination of projects and programs.

<sup>3</sup> Native American Allocation: The total amount available under the Native American Allocation is approximately \$875,000 for 05/06, \$585,000 for 06/07, and \$585,000 for 07/08. This does not count against the \$800,000 General and Economic Development limitations. Applicants may apply for the full amount of available funding. These funds are available for eligible activities in areas with concentrations (at least 51%) of Native American Indians not federally recognized as an Indian tribe or rancheria.

<sup>4</sup> Colonias Allocation: The total amount available under the Colonias Allocation is approximately \$3.5 million for 05/06, \$2.3 million for 06/07, and \$2.3 Million for 07/08. This does not count against the \$800,000 General and Economic Development limitations. Applicants may apply for the full amount of available funding. These funds are available for eligible activities in designated Colonias located within 150 miles of US/Mexico border in non-metropolitan areas.

## 5. ELIGIBLE APPLICANTS

**HOLD OUT THRESHOLD FACTOR: Applicants please take note of the following threshold factor.** An applicant must meet the following conditions in order to be able to submit an application for funding:

The applicant shall have resolved any audit findings or performance problems for prior State CDBG grants awarded under this program. The Department may waive this requirement when such problems or findings result in no obligation to return funds to the grantor, arrangements satisfactory to the grantor have been made for repayment or performance, or a formal action to resolve the matter has been taken.

Some jurisdictions may be held out from receiving funds if they have received a performance findings letter. Examples of performance findings are, but not limited to, having excessive program income on hand and not meeting milestones as stated in the grant agreement. If you have received such a letter or are unsure of your status, contact your field representative for further guidance. **You are not eligible to apply if you have not received a letter from the department clearing your holdout status**

### **General Allocation -- Eligible Cities and Counties**

In general, incorporated cities under 50,000 in population and counties with an unincorporated area population of under 200,000 persons are eligible to participate in the State CDBG Program. Eligible cities and counties may apply for funds under each Program component. The following exceptions apply:

- a. If a city under 50,000 population has entered into a three-year urban county Cooperation Agreement, that city cannot participate in the State CDBG Program until the expiration of the Agreement.
- b. If a city under 50,000 population has been declared the central city of a Standard Metropolitan Statistical Area, it cannot participate because it is entitled to receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD).

See Appendix A for a listing of the eligible cities and counties for the General Allocation. This Appendix also provides the poverty index for each jurisdiction.

### **Native American Allocation -- Eligible Areas**

Only eligible cities and counties may apply for these funds on behalf of these non-federally recognized Native American communities. Eligible jurisdictions may apply for these funds in addition to any other CDBG application submitted during a given program year without invoking the program funding caps. Jurisdictions are encouraged to include activities benefiting Native American communities in their application for CDBG funds.

See Appendix B for a listing of the eligible Native American areas.

### **Colonias Allocation -- Eligible Applicants**

All cities and counties eligible under the State CDBG (non-entitlement) Program and which contain colonias as defined by the National Affordable Housing Act of 1990 are eligible applicants for these funds. For the purposes of this legislation, a “colonia” is any identifiable community that –

1. is located within 150 miles of the border between the United States and Mexico, **except** within any standard metropolitan statistical area that has a population exceeding 1,000,000; and
2. is designated by the State or county in which it is located as colonia; and
3. is determined to be a colonia on the basis of objective criteria, including the lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and
4. was in existence and generally recognized as a colonia before the enactment of the National Affordable Housing Act of 1990.

The availability of Colonias Allocation funds pursuant to this NOFA is limited to eligible jurisdictions that propose activities within designated Colonias.

Eligible jurisdictions may apply for these funds in addition to any other CDBG application submitted during a given program year without invoking the program funding caps.

See Appendix C for a listing of the eligible Colonias/Jurisdictions.

## 6. ELIGIBLE ACTIVITIES

The major activity categories are:

- Housing New Construction
- Housing Acquisition
- Housing Rehabilitation
- Housing Program – Housing Rehabilitation & Housing Acquisition
- Community Facilities
- Public Works
- Public Services
- Planning (for Colonias only)

Please refer to Appendices D through K for information about these major activity categories.

Additional activities Under certain limited circumstances, additional activities may be eligible. Applicants should call Program staff to clarify the eligibility of proposed activities.

## 7. PROGRAM ADMINISTRATION COSTS

### a. General Administration Expenses.

Grantees are restricted to a budget of up to 7.5% of the total grant amount for reasonable general administration expenses related to carrying out the CDBG program. General administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting, and evaluation.

### b. Activity Delivery Expenses.

A portion of the grant award may be used to pay for the actual costs associated with the “delivery” of the proposed activity. Activity delivery includes costs associated with staff and overhead directly involved with carrying out the activity.

Activity Delivery costs vary, depending on the activity category. As a general guideline, the cost of activity delivery has been:

- Housing Rehabilitation: up to 19% of the activity
- Community facilities or public works invoking difficult labor standards\* up to 12% of the activity
- All other activities: up to 8% of the activity

\* Difficult labor standards means multiple subcontractors and/or numerous trades.

For all categories, if the percentages exceed these amounts, applicants should provide an explanation and justification of the higher amounts. Consideration will be given but the Department will decide if the applicant shall receive an amount that exceeds the standard percentage.

## APPLICATION REVIEW AND SCORING

### 8. EVALUATION CRITERIA AND SCORING POINTS

Staff rates the applications according to criteria in the State Program Regulations. Applications are given quantitative ratings and ranked against each other. In rating joint applications, information for the combined needs of all participating localities is used to evaluate these applications. The scoring criteria may be found in the Regulations, Sections 7078.1 through 7078.7. The maximum possible score is 1,000. Points are divided among seven scoring groups.

Evaluation Criterion and Description	Maximum Points
<b>Poverty Index:</b> Applicants are compared in terms of the percentage of their population with incomes below the poverty level. This measure is taken within a designated target area where the activity is proposed for a target area. 2000 census data are used.	100 Points
<b>Targeted Income Group Benefit:</b> Activities proposed for funding are allocated points based on the percentage of beneficiaries who earn 80% or less of the county’s median income, adjusted by household size. Multi-family rental projects may receive full points for 51% TIG benefit. Housing rehabilitation and homebuyer assistance activities must benefit 100% TIG. All other activities will begin earning points at 51% TIG benefit, and must achieve 90% TIG benefit to earn all points in this category.	300 Points
<b>Need for Activity:</b> Points are assigned based on the application’s documented community need for the proposed program and the extent to which the proposed activity will address the identified need. See Appendices D through K for need indicators for each type of activity.	200 Points
<b>Prior Performance Operating CDBG Grants:</b> Applicants are rated on their performance in administering prior (2001, 2002, 2003 and 2004) CDBG General, Native American, and Colonias Allocation grants. Performance factors include: timeliness of grant fund expenditures, <b>(beginning with the 1/1/01 through 3/31/01 reporting period, expenditures are determined by actual CDBG dollars spent, not obligated)</b> ; expenditures of committed leverage; timeliness of reporting and close-out submittals; timeliness of resolving any outstanding monitoring or audit findings; and, the amount of program income on hand. Points will be awarded to applicants whose expenditures exceeded the milestones stated in the contract and/or who have demonstrated timeliness in clearing special conditions or starting the project. <u>New Applicants:</u> Applicants who have <u>not</u> had a G/NA/Colonias grant during the funding year 2001, 2002, 2003 and 2004 will receive full <b>standard</b> points under “Performance.”	150 Points

Evaluation Criterion and Description (cont'd)	Maximum Points
<p><b>Capacity:</b> Applicants with grants for the funding years 2001, 2002, 2003 and 2004 are evaluated on their ability to administer the activities proposed for CDBG funding based on their experience on past grants. New applicants will be evaluated on documentation of adequate in-house staff capability and experience or a letter of interest from a program operator with the capacity and experience to administer the CDBG activity. Of the available 150 points in this category, up to 50 points will be awarded to applicants who competitively demonstrate the project's readiness to proceed.</p>	150 Points
<p><b>Leverage:</b> Points are awarded based on documented commitments of additional (non-federal or state) funding for the proposed project or program.</p>	50 Points
<p><b>State Objectives:</b> Bonus points are awarded to applications addressing one or more state objectives. See below for a description of the State Objectives.</p>	50 Points
<p><b>TOTAL POINTS AVAILABLE</b></p>	1,000 Points

**State Objectives:** For the 2005 program year, State Objectives bonus points will be available as follows:

- **Infrastructure Proposals:** Up to 25 points will be awarded for public works and new construction projects providing public infrastructure in support of housing;
- **Worst Case Housing Needs:** Up to 25 points will be awarded to proposals that facilitate the construction, acquisition or rehabilitation of permanent housing projects that meet all of the following requirements: 1) must include rental housing; 2) of the rental housing, must target at least 25% of the program beneficiaries to be LTIG households (see LTIG definition on page 13) who do not receive Federal housing assistance, and 3) must reduce these beneficiaries' rent and utility costs to below 50% of their gross incomes, or benefit persons who live in severely substandard housing. For the purposes of this State Objective, permanent means that residents' tenure in the housing will not be limited to a certain time period;
- **Farm worker Housing/Health Services:** Up to 25 points will be awarded to proposals which facilitate the development and/or operation of migrant or permanent farm worker housing or proposals which facilitate the provision of health services in combination with farm worker housing. To receive these points, a minimum of 90% of the beneficiaries of the proposed activity must be farm workers;

- **Capacity Building:**  
Up to 25 points will be awarded to jurisdictions that applied for CDBG funding but fell below the funding cut-off in the 2004 General Allocation competition. The activity applied for does not have to be the same as the 2003 proposed activity.

Up to 35 points will be awarded to applicants who applied at least two times in the last four years (2001 to 2004) in the General Allocation and who were not funded in the General Allocation in the last four years.

## 9. APPLICATION TRAINING WORKSHOPS

The Department will present one-day information workshops in several locations around the State. The workshops will include a brief overview of the State Program, a discussion of the application evaluation criteria, and general information regarding the major Federal overlay requirements that may affect funded projects.

Eligible applicants who wish to attend a workshop should review this NOFA and come prepared with questions and ideas for preparing an application. Information about the workshop dates, times, and locations is included in the cover memorandum.

## 10. APPLICATION REVIEW PROCESS

The Department will review, rate, and rank each application. During the initial review process, CDBG staff may contact applicants about the location of information within the application, but during such contacts, applicants will not be permitted to add to their application. Any such contacts will be scheduled after the Department has completed its preliminary review.

The Department will evaluate and fund applications based on all the activities in the application with the following exceptions:

- a. Ineligible activity. If an activity within an application is found to be ineligible, the Department will delete the ineligible activity and rate and rank the balance of the activities in the application. Applicants are encouraged to discuss their proposed activities with the Program staff prior to submitting an application;
- b. 10% Set-aside (not applicable for Colonias). An applicant may request up to 10% of the activity funds for one or more CDBG-eligible activities/projects. Set aside funds cannot pay for general administration or planning activities. The set-aside activities/projects must meet all CDBG requirements including: a national objective (either low income benefit to a minimum of 51% TIG, or slums and blight); federal environmental review; federal labor standards; procurement; and citizen participation. The 10% set-aside activities/projects will not be competitively rated and ranked. **Once the original 10% set-aside activities/projects are approved by HCD, changes will not be allowed.**

## AWARD ANNOUNCEMENTS AND PROCESSING

### 11. AWARD ANNOUNCEMENTS

Awards will be announced on June 30, 2005. All applicants will be notified by mail as to the outcome of their application.

**NOTE: As a condition of receiving an award, each jurisdiction's Housing Element must be adopted pursuant to Government Code Section 65585, as determined by the Department by June 1, 2005. Self-certifications will no longer be allowed. No extensions will be granted beyond this date. The Department will not award funds to any applicant who does not meet these requirements by the June 1, 2005 deadline.**

#### Unfunded Applications and Exit Interviews

After awards are announced, applicants who are not awarded funds are encouraged to schedule meetings with the CDBG representative to discuss their application and how to improve applications for future funding cycles. The CDBG staff will also meet with successful applicants who wish to review their applications.

### 12. AWARD PROCESSING

All funded applications will be processed through a standardized Grant Agreement. The Agreement will contain information about the terms and special conditions of the award. Special conditions will have to be met within 90 days of the Agreement's execution. If the conditions are not met, the Department may terminate the Agreement. Applicants are permitted to incur general administration costs upon receiving their award letter and obtaining written approval from HCD. **Grantees MUST obtain special conditions and environmental clearance prior to beginning a CDBG funded activities. This requirement applies to both CDBG and non-CDBG funding. Beginning any program or project activity prior to obtaining clearance may cause it to be ineligible.** Only general administration costs may be incurred until special conditions are met. Activity delivery costs may be incurred prior to execution of the Agreement only with written approval of HCD upon satisfactory completion of any required special conditions. Information about processing times and authorization requirements will be provided at the time the Agreement is sent to the grantee.

### 13. GRANT MANAGEMENT WORKSHOPS AND PROGRAM MONITORING

All funded applicants will be invited to attend one of several Grant Management Workshops that will be conducted during the summer/fall of 2005. At these workshops, CDBG staff will provide information about the day-to-day management of the grant and the various Federal overlay requirements for which all grantees will be monitored. For current information, refer to the 2004 CDBG Grant Management Manual.

## PROGRAM REQUIREMENTS

### 14. STATE REQUIREMENTS

The CDBG Program is a federally-funded program that is administered in California's small cities and counties by the Department (HCD). Within State Statute and Regulations, HCD has established the following program requirements:

a. Targeted Income Group (TIG) Benefit

All activities funded through the CDBG General Allocation Program shall principally benefit the Targeted Income Group (TIG) persons or households. As such, at least 51% of the beneficiaries of an eligible activity shall be TIG (unless it is direct assistance, like housing rehab programs, whose beneficiaries must be 100% TIG). Targeted Income Group, which includes "Lowest Targeted Income Group (LTIG)," is based on current county income limits provided annually by HCD. Targeted Income Group is defined as beneficiaries having incomes that are 80% or less of the adjusted area median household income. Lowest Targeted Income Group (LTIG) beneficiaries have incomes that are at 50% of the adjusted area median household income.

Each application must contain a discussion of how the proposed activity will principally benefit the targeted income group. Failure to adequately document the level of TIG benefit for the proposed activity, if the activity is brought to completion, will result in denial of the funds. Different activities can have TIG benefit documented in a variety of ways, so read the activity appendix in this NOFA for your proposed activity about how to provide the proper documentation. **Exception:** 10% set-aside activities may address either low income benefit or slums and blight. This is recent change so check with your CDBG Program representative to confirm how this national objective is to be documented.

b. Native American Allocation

An amount equal to 1.25% of the total State Program funds is to be granted to eligible cities and counties to be used in identifiable geographic areas with concentrations (at least 51%) of Native American Indians not recognized as an Indian tribe by the Housing and Community Development Act of 1974. Contact your CDBG program representative for guidance on how to document this status.

c. Colonias Allocation

For the 2004 program year, an amount equal to five (5)% of the total State CDBG Program funds is to be granted to eligible cities and counties to be used for eligible activities in designated Colonias.

d. Housing

Not less than 51% of the total State CDBG allocation must be used to provide or improve housing opportunities for the Targeted Income Group. Construction of infrastructure directly related to providing or improving housing opportunities for the Targeted Income Group will meet this requirement.

**Note: This requirement may cause lower scoring housing-related applications to be funded ahead of higher scoring non-housing-related applications.**

e. CDBG Housing Element Compliance

At the initial stage of application, CDBG will not reject an application based on either the content of the housing element or the Department's findings on the element, except as may otherwise be provided in Section 50830 of the Health and Safety Code. If there is a question about the CDBG compliance status of your housing element, then prior to submitting an application, call Paul McDougall of the Housing Policy Development Division at (916) 322-7995 to find out if it is in compliance.

The requirements for award of grant funds are in Section 7056(b)(1) of the Program's Regulations. Housing element compliance requirements are in the Government Code, Title 7, Division 1, Chapter 3, Article 10.6, beginning with Section 65580.

f. Growth Control

Pursuant to Health and Safety Code Section 50830, no city or county is eligible to receive CDBG funds if the city or county has adopted a general plan, ordinance, or other measure which directly limits, by number, the building permits that may be issued for residential construction, or the building lots which may be developed for residential purposes. If there is a question about a local policy which may meet this criteria, then prior to submitting an application, call Paul McDougall of the Housing Policy Development Division at (916) 322-7995 to find out if the local housing restrictions qualify. However, this provision shall not be applicable to:

- 1) An ordinance adopted by a city or county that does any of the following:
  - a) Imposes a moratorium to protect the public health and safety on residential construction for a specified period of time if, under the terms of the ordinance, the moratorium will cease when the public health and safety is no longer jeopardized by the construction;
  - b) Creates agricultural preserves under Chapter 7 (commencing with Section 51200) of Part 2 of Division 1 of Title 5 of the

Government Code; or

c) Was adopted pursuant to a specific requirement of a State or multi-State board, agency, department, or commission; or

2) A city or county which has an adopted housing element that the Housing Policy Development Division has found to be in compliance with State housing element law (Article 10.6 of the Government Code) at the time the city or county applies for funds under the State CDBG Program, unless a final court order has found that such housing element is not in compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

g. Performance Criteria

The Program will evaluate performance with prior grants to ensure that the beneficiaries realize the intended benefits from these funds.

h. Serious Need

The Program seeks to ensure that the most serious community development needs in the State are addressed.

## 15. PUBLIC HEARINGS

CDBG Regulations require that a minimum of two public hearings (program design and application submittal) be held before the jurisdiction submits an application to HCD. The hearings should be noticed at least 10 days prior to the hearing date. The program design hearing should be held at least 30 days prior to the application submittal hearing. The application submittal hearing must be held before the local governing body and prior to the application being submitted to HCD. See Appendix L for sample public notices for project design and application submittal hearings. The program will monitor all funded applications for this requirement, including the commitment shown to citizen participation.

## 16. PUBLIC RECORDS ACT

Applications and grant agreements are public information and are available for review by the public. Applicants are advised that information submitted to the State may have to be made available to the public under the State Public Records Act unless an exemption under this Act applies to the information submitted and the applicant establishes a valid claim of confidentiality under such exemption.

## 17. RELOCATION AND ANTI-DISPLACEMENT REQUIREMENTS

The federal requirements relating to relocation and anti-displacement require grantees receiving any CDBG funds, regardless if the activity will cause displacement or not, to certify that they have made public and adopted a proper anti-displacement and relocation plan and will follow that plan. A proper plan and certification form will be required as a special condition for funding.

There are requirements in addition to publicly adopting and certifying compliance with an anti-displacement and relocation plan. Applicants who are doing project specific activities which may or will cause the relocation and displacement of persons must provide a project specific relocation plan which outlines how they will manage the relocation and displacement activities for the project and estimate what relocation benefits will be required. Jurisdictions who may receive federal funds in the form of a CDBG grant are required to inform all potential persons, **prior to submitting an application for CDBG assistance**, of the potential for relocation as a result of the federally-funded project and of the potential recipients' rights to relocation assistance in the event relocation is triggered by the funded activity using a proper General Information Notice (GIN) as found in HUD's relocation handbook 1378. When operating a single family rehabilitation or acquisition program which could cause temporary relocation of persons, the applicant must provide a locally adopted temporary relocation plan which outlines relocation benefits for owner occupants and tenants.

## 18. PROCUREMENT

The Department will monitor for procurement of goods and services and will seek to ensure that equal opportunity provisions have been included in all procurement procedures.

## 19. FEDERAL DEBARMENT AND SUSPENSION

As required by 24 Code of Federal Regulations, Part 24, all CDBG grantees are required to verify that any/all persons, contractors, consultants, businesses, sub-recipients, etc. that are conducting business with the grantee (**including the City/County**) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction. Grantees must check the Excluded Parties Listing System (website: [epls.arnet.gov](http://epls.arnet.gov)) and maintain evidence of the search results.

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**APPENDIX A:**

**Eligible Jurisdictions with Poverty Index,  
CDBG Field Representatives,  
and Telephone Numbers**

<u>Jurisdiction</u>	<u>Persons in Poverty</u> <sup>2</sup>	<u>Field Representative</u>	<u>Telephone #</u>
ALPINE COUNTY <sup>1</sup>	19.5	Marta Valero	263-0481
AMADOR COUNTY	9.2	Marta Valero	263-0481
Amador City	22.9	Marta Valero	263-0481
Ione	11.0	Marta Valero	263-0481
Jackson	8.3	Marta Valero	263-0481
Plymouth	10.4	Marta Valero	263-0481
Sutter Creek	7.8	Marta Valero	263-0481
BUTTE COUNTY	19.8	Liz Fitzgerald	263-0470
Biggs	17.9	Liz Fitzgerald	263-0470
Gridley	23.3	Liz Fitzgerald	263-0470
Oroville	33.1	Liz Fitzgerald	263-0470
CALAVERAS COUNTY	11.8	Harry Faris	263-0469
Angels Camp	13.0	Harry Faris	263-0469
COLUSA COUNTY	16.1	Tijuana Alexander	263-0461
Colusa	17.2	Tijuana Alexander	263-0461
Williams	19.2	Tijuana Alexander	263-0461
DEL NORTE COUNTY	20.2	Patrick Talbott	263-0482
Crescent City	34.6	Patrick Talbott	263-0482
EL DORADO COUNTY	7.1	Harry Faris	263-0469
Placerville	12.1	Harry Faris	263-0469
South Lake Tahoe	12.5	Harry Faris	263-0469
FRESNO <sup>3</sup>			
Firebaugh		Harry Faris	263-0469
Fowler	21.5	Harry Faris	263-0469
Huron	39.4	Harry Faris	263-0469
Orange Cove	44.5	Harry Faris	263-0469
San Joaquin	34.6	Harry Faris	263-0469

1. Figures for County entries are for unincorporated areas only.

2. Data source: 2000 Census

3. Indicates counties that participate in the HUD CDBG Entitlement Program, and are not eligible to compete for funding under the State CDBG Small Cities Program. Only the cities listed under the asterisked counties are eligible to compete for State CDBG funding.

GLENN COUNTY	18.1	Liz Fitzgerald	263-0470
Orland	19.0	Liz Fitzgerald	263-0470
Willows	24.6	Liz Fitzgerald	263-0470
HUMBOLDT COUNTY	19.5	Patrick Talbott	263-0482
Arcata	32.2	Patrick Talbott	263-0482
Blue Lake	11.1	Patrick Talbott	263-0482
Eureka	23.7	Patrick Talbott	263-0482
Ferndale	7.1	Patrick Talbott	263-0482
Fortuna	17.4	Patrick Talbott	263-0482
Rio Dell	23.1	Patrick Talbott	263-0482
Trinidad	8.8	Patrick Talbott	263-0482
IMPERIAL COUNTY	22.6	Leticia Cortez	263-0478
Brawley	26.6	Leticia Cortez	263-0478
Calexico	25.7	Leticia Cortez	263-0478
Calipatria	24.2	Leticia Cortez	263-0478
Holtville	18.2	Leticia Cortez	263-0478
Imperial	11.6	Leticia Cortez	263-0478
Westmorland	27.2	Leticia Cortez	263-0478
INYO COUNTY	12.6	Marta Valero	263-0481
Bishop	16.3	Marta Valero	263-0481
KERN COUNTY <sup>3</sup>			
Delano	28.2	Conant Radcliffe	263-0475
Taft	17.5	Conant Radcliffe	263-0475
Wasco	27.5	Conant Radcliffe	263-0475
KINGS COUNTY	19.5	Diane Moroni	263-0474
Avenal	30.7	Diane Moroni	263-0474
Corcoran	26.9	Diane Moroni	263-0474
Lemoore	13.4	Diane Moroni	263-0474
LAKE COUNTY	17.6	Tijuana Alexander	263-0461
Clearlake	28.6	Tijuana Alexander	263-0461
Lakeport	15.7	Tijuana Alexander	263-0461
LASSEN COUNTY	14.0	Patrick Talbott	263-0482
Susanville	14.3	Patrick Talbott	263-0482
LOS ANGELES COUNTY <sup>3</sup>			
Hidden Hills	3.5	Leticia Cortez	263-0478
Industry	14.5	Leticia Cortez	263-0478
Palos Verde Estates	2.2	Leticia Cortez	263-0478
Vernon	0	Leticia Cortez	263-0478

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2. Data source: 2000 Census

3. Indicates counties that participate in the HUD CDBG Entitlement Program, and are not eligible to compete for funding under the State CDBG Small Cities Program. Only the cities listed under the asterisked counties are eligible to compete for State CDBG funding.

MADERA COUNTY	21.4	Marta Valero	263-0481
Chowchilla	19.2	Marta Valero	263-0481
MARIPOSA COUNTY	14.8	Marta Valero	263-0481
MENDOCINO COUNTY	15.9	Leticia Cortez	263-0478
Fort Bragg	20.4	Leticia Cortez	263-0478
Point Arena	26.0	Leticia Cortez	263-0478
Ukiah	18.1	Leticia Cortez	263-0478
Willits	14.5	Leticia Cortez	263-0478
MERCED COUNTY	21.7	Diane Moroni	263-0474
Atwater	18.7	Diane Moroni	263-0474
Dos Palos	22.8	Diane Moroni	263-0474
Gustine	16.9	Diane Moroni	263-0474
Livingston	25.2	Diane Moroni	263-0474
Los Banos	12.1	Diane Moroni	263-0474
MODOC COUNTY	21.5	Tijuana Alexander	263-0461
Alturas	27.1	Tijuana Alexander	263-0461
MONO COUNTY	11.5	Marta Valero	263-0481
Mammoth Lakes	14.4	Marta Valero	263-0481
MONTEREY COUNTY	13.5	Liz Fitzgerald	263-0470
Carmel	6.5	Liz Fitzgerald	263-0470
Del Rey Oaks	5.0	Liz Fitzgerald	263-0470
Gonzales	20.2	Liz Fitzgerald	263-0470
Greenfield	21.6	Liz Fitzgerald	263-0470
King City	20.8	Liz Fitzgerald	263-0470
Marina	13.1	Liz Fitzgerald	263-0470
Pacific Grove	5.4	Liz Fitzgerald	263-0470
Sand City	27.9	Liz Fitzgerald	263-0470
Soledad	18.4	Liz Fitzgerald	263-0470
NAPA COUNTY	8.3	Patrick Talbott	263-0482
American Canyon	8.8	Patrick Talbott	263-0482
Calistoga	8.0	Patrick Talbott	263-0482
St. Helena	6.4	Patrick Talbott	263-0482
Yountville	7.3	Patrick Talbott	263-0482
NEVADA COUNTY	8.1	Liz Fitzgerald	263-0470
Grass Valley	14.9	Liz Fitzgerald	263-0470
Nevada City	7.9	Liz Fitzgerald	263-0470
Truckee	4.6	Liz Fitzgerald	263-0470
ORANGE COUNTY <sup>3</sup>			
Aliso Viejo	2.8	Leticia Cortez	263-0478
San Juan Capistrano	10.7	Leticia Cortez	263-0478

1. Figures for County entries are for unincorporated areas only.

2. Data source: 2000 Census

3. Indicates counties that participate in the HUD CDBG Entitlement Program, and are not eligible to compete for funding under the State CDBG Small Cities Program. Only the cities listed under the asterisked counties are eligible to compete for State CDBG funding.

PLACER COUNTY	5.8	Marta Valero	263-0481
Auburn	6.7	Marta Valero	263-0481
Colfax	12.0	Marta Valero	263-0481
Lincoln	12.4	Marta Valero	263-0481
Loomis	3.4	Marta Valero	263-0481
Rocklin	4.5	Marta Valero	263-0481
PLUMAS COUNTY	13.1	Tijuana Alexander	263-0461
Portola	20.3	Tijuana Alexander	263-0461
RIVERSIDE COUNTY <sup>3</sup>			
Calimesa	12.2	Liz Fitzgerald	263-0470
Coachella	28.9	Liz Fitzgerald	263-0470
Indian Wells	3.4	Liz Fitzgerald	263-0470
Rancho Mirage	5.9	Liz Fitzgerald	263-0470
SAN BENITO COUNTY	10.0	Diane Moroni	263-0474
Hollister	9.5	Diane Moroni	263-0474
San Juan Bautista	15.5	Diane Moroni	263-0474
SAN LUIS OBISPO COUNTY <sup>3</sup>			
Morro Bay	13.0	Harry Faris	263-0469
Pismo Beach	9.0	Harry Faris	263-0469
SANTA BARBARA COUNTY	14.2	Harry Faris	263-0469
Buellton	8.8	Harry Faris	263-0469
Carpinteria	10.4	Harry Faris	263-0469
Guadalupe	25.0	Harry Faris	263-0469
Solvang	6.7	Harry Faris	263-0469
SANTA CRUZ COUNTY	11.9	Harry Faris	263-0469
Capitola	6.7	Harry Faris	263-0469
Scotts Valley	2.5	Harry Faris	263-0469
SHASTA COUNTY	15.4	Liz Fitzgerald	263-0470
Anderson	28.3	Liz Fitzgerald	263-0470
Shasta Lake	20.1	Liz Fitzgerald	263-0470
SIERRA COUNTY	11.3	Tijuana Alexander	263-0461
Loyalton	18.1	Tijuana Alexander	263-0461

1. Figures for County entries are for unincorporated areas only.
2. Data source: 2000 Census
3. Indicates counties that participate in the HUD CDBG Entitlement Program, and are not eligible to compete for funding under the State CDBG Small Cities Program. Only the cities listed under the asterisked counties are eligible to compete for State CDBG funding.

SISKIYOU COUNTY	18.6	Tijuana Alexander	263-0461
Dorris	19.1	Tijuana Alexander	263-0461
Dunsmuir	19.3	Tijuana Alexander	263-0461
Etna	19.7	Tijuana Alexander	263-0461
Fort Jones	26.0	Tijuana Alexander	263-0461
Montague	24.2	Tijuana Alexander	263-0461
Mount Shasta	19.4	Tijuana Alexander	263-0461
Tulelake	34.6	Tijuana Alexander	263-0461
Weed	23.9	Tijuana Alexander	263-0461
Yreka	21.2	Tijuana Alexander	263-0461
SOLANO COUNTY	8.3	Patrick Talbott	263-0482
Benicia	4.3	Patrick Talbott	263-0482
Dixon	8.1	Patrick Talbott	263-0482
Rio Vista	10.2	Patrick Talbott	263-0482
Suisun City	6.5	Patrick Talbott	263-0482
STANISLAUS COUNTY <sup>3</sup>			
Ceres	12.9	Harry Faris	263-0469
Hughson	19.1	Harry Faris	263-0469
Newman	13.1	Harry Faris	263-0469
Riverbank	12.3	Harry Faris	263-0469
Waterford	12.3	Harry Faris	263-0469
SUTTER COUNTY	15.5	Harry Faris	263-0469
Live Oak	30.2	Harry Faris	263-0469
TEHAMA COUNTY	17.3	Conant Radcliffe	263-0475
Corning	26.3	Conant Radcliffe	263-0475
Red Bluff	21.1	Conant Radcliffe	263-0475
Tehama	16.6	Conant Radcliffe	263-0475
TRINITY COUNTY	18.7	Harry Faris	263-0469
TULARE COUNTY	23.9	Conant Radcliffe	263-0475
Dinuba	26.2	Conant Radcliffe	263-0475
Exeter	19.4	Conant Radcliffe	263-0475
Farmersville	30.7	Conant Radcliffe	263-0475
Lindsay	39.9	Conant Radcliffe	263-0475
Woodlake	36.8	Conant Radcliffe	263-0475
TUOLUMNE COUNTY	11.4	Harry Faris	263-0469
Sonora	16.9	Harry Faris	263-0469
YOLO COUNTY	18.4	Susan Kessler	263-0476
West Sacramento	22.3	Susan Kessler	263-0476
Winters	5.0	Susan Kessler	263-0476
YUBA COUNTY	20.8	Susan Kessler	263-0476
Wheatland	19.8	Susan Kessler	263-0476

1. Figures for County entries are for unincorporated areas only.
2. Data source: 2000 Census
3. Indicates counties that participate in the HUD CDBG Entitlement Program, and are not eligible to compete for funding under the State CDBG Small Cities Program. Only

the cities listed under the asterisked counties are eligible to compete for State CDBG funding.

## APPENDIX B

### ELIGIBLE NATIVE AMERICAN AREAS

**TERMINATED RANCHERIAS:** The following terminated rancherias are eligible for the Native American Allocation:

Inyo County:	Indian Ranch
Nevada County:	Nevada City
Placer County:	Colfax
Plumas County:	Taylorville
Siskiyou County:	Ruffeys
Tulare County:	Strathmore
Yolo County:	Cache Creek
Yuba County:	Strawberry Valley

**OTHER AREAS:** The following areas have never been federally recognized but are areas primarily occupied by Native Americans and are eligible for the Native American Allocation.

Southern Sierra Miwuk Nation  
Antelope Valley Paiute Tribe  
Antelope Valley Indian Community  
Big Meadows Lodge Tribe  
Calaveras County Band of Miwok  
Carmel Mission Band  
Chuckchansi Tribe  
Coastal Band of Chumash Indians  
Dunlap Band of Mono Indians  
Hayfork Band of Nor-Rel-Muk Wintu Indians  
Honey Lake Maidu (AKA Wadatjuta) (Lassen County)  
Independence 14 (Miranda Allotment) (Kern County)  
Indian Canyon Costanoan Tribe  
Konkow Valley Band of Maidu (Butte)  
Maidu Nation  
Mono Lake Indian Community  
North Fork Band of Mono Indians  
Northern Maidu Tribe  
Northern Paiute Tribe of Honey Lake (Lassen)  
Plumas County Indians, Inc.  
Salinan Nation (Monterey County)  
Shasta Nation  
South Fork Hupa  
Colfax Todds Valley Consolidated Tribes  
Tolowa Nation  
Toyon Wintu Center (Shasta County)

United Maidu Nation  
Winnemem Band of Wintun  
Wintu Indians of Central Valley  
Wintu Tribe of Northern California (Shasta County)  
Wukchamni Tribe  
Yokayo Tribe

**Please Note:** This list is not exclusive of other tribal groups that may qualify for the CDBG Native American Allocation.

## APPENDIX C

### ELIGIBLE COLONIAS/JURISDICTIONS

<u>Colonia Name</u>	<u>Jurisdiction</u>
Brawley County Water District Colonia	City of Brawley
Kloke Tract Colonia	City of Calexico
C.N. Perry Colonia	City of Calexico
El Dorado Colonia	City of El Centro
East Colonia	City of Imperial
South Colonia	City of Imperial
Bombay Beach Colonia	County of Imperial
Heber Colonia	County of Imperial
Niland Colonia	County of Imperial
Ocotillo Colonia	County of Imperial
Palo Verde Colonia	County of Imperial
Poe Colonia	County of Imperial
Salton Sea Beach Colonia	County of Imperial
Seeley Colonia	County of Imperial
Winterhaven Colonia	County of Imperial

## APPENDIX D

### ELIGIBLE ACTIVITIES: HOUSING NEW CONSTRUCTION

#### A. ELIGIBLE USES

1. Support Costs: CDBG funds can be used in support of housing new construction projects. CDBG funds can be used for actual construction costs in certain specific cases (see 2., below). The following are eligible uses of CDBG funds in conjunction with the actual construction of new permanent housing:

##### a. Activity Costs:

- (1) Acquisition of sites by the recipient or other public or private nonprofit entity  
*Reference: 24 CFR 570.201(a);*
- (2) Clearance of sites *Reference: 24 CFR 570.201(d);*
- (3) Site improvements to publicly-owned land to enable the property to be used for the new construction of housing, provided the improvements are undertaken while the property is still in public ownership *Reference: 24 CFR 570.201(c);*
- (4) Off-site improvements such as utilities, streets, curbs and gutters, sidewalks, parks, and recreation facilities, only where specifically required as condition of project approval *Reference: 24 CFR 570.201(c); and*
- (5) Actual construction costs or site improvements under limited circumstances (see 2., below) *References: 24 CFR 570.201 (c) and Section 105 (a)(15) of Title 1 of the HCD Act of 1974; and*

##### b. Soft Costs:

- (1) Site and utility plans, narrative descriptions of the proposed construction, preliminary cost estimates, urban design documentation, and “sketch drawings,” but excluding architectural, engineering, and other details ordinarily required for construction purposes *Reference: 24 CFR 570.206(g)(2);*
- (2) Applications for funding *Reference: 24 CFR 570.206(g)(3); and*
- (3) Application processing fees for specified programs *Reference: 24 CFR 570.206(g)(4).*

Note: These soft costs can be paid for as a part of the cost of the new construction itself if they are incurred in support of new housing construction activities in accordance with A.2., below; otherwise, they are considered administrative costs.

2. Construction Costs: CDBG funds may be used for on-site construction costs of new housing only under the following limited circumstances:
  - a. Construction of “last resort housing” when a jurisdiction is providing a displaced person with a comparable replacement dwelling unit, and this can only be accomplished by new construction. Last resort housing provisions are set forth in Federal Regulations 24 CFR Part 42, Subpart I. A plan documenting all efforts to relocate individuals must be submitted with the application if last resort housing or displacement is part of a new construction proposal *Reference: 24 CFR 570.207(b)(3)(i)*; or
  - b. Housing construction, which is part of a “neighborhood revitalization project” *Reference 24 CFR 570.204(a)(1)*, carried out by a “Community Based Development Organization” *Reference: 24 CFR 570.204(c)*; or
  - c. A housing construction project which is assistance to a neighborhood-based nonprofit organization, local development corporation, or nonprofit organization serving the development needs of a community in a non-entitlement area. *Reference: Section 105(a)(15) of Title 1 of the HCD Act of 1974*; or
  - d. A housing construction project that has received funding through a Housing Development Grant (a HODAG) *Reference: 24 CFR 570.201(m)*.
3. Other Activities: The following eligible uses of CDBG funds are evaluated as housing new construction activities:
  - a. Acquisition of permanent rental housing, the majority of which is unoccupied, including any rehabilitation *Reference: 24 CFR 570.201(a)*; and
  - b. Conversion of a non-residential structure to residential (adaptive reuse) is not generally considered to constitute new construction and is eligible under Housing Rehabilitation. However, if the conversion involves construction that goes beyond the envelope of the non-residential structure, the project may be a New Construction activity. If this is the case, please consult with your CDBG Representative. *Reference: 24 CFR 570.202(e)*.

## B. PROHIBITED ACTIVITIES

With the exception of activities 2.a. through d., above, the construction of new housing with State CDBG funds is generally not eligible. The basis for this is in HUD Regulations (24 CFR Part 570.207(b)(3)): "Block grants may not be used for the construction of new permanent residential structures or any program to subsidize or finance new construction." Generally, CDBG money is used in support of new housing construction projects.

## C. ADDITIONAL CONSIDERATIONS

1. Site Acquisition Costs. Applicants are not required to have site control at the time of application (option to purchase). However, site control will be a special condition of a grant award and will need to be obtained within the first 90 days of the grant. Jurisdictions will not be able to use CDBG funds to repay any acquisition costs (for example, bridge loans) incurred prior to the date the state contract is executed and all special conditions have been met.
2. Project Completion. Construction of the housing must be completed and the housing must be occupied prior to expiration of the CDBG Grant Agreement. **Note: Current CDBG policy allows for grant agreements to be for 60 months for this type of activity in order to allow for TIG benefit, however all CDBG funds must be spent within the first 24 months of the contract.**
3. Other Financing. Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of releasing any project funds. All project financing must be committed 90 days prior to the date construction will begin, as stated in the original application.
4. Displacement: Federal law requires that displacement due to CDBG activities be minimized. Applicants must design their housing programs with this objective in mind. If any temporary or permanent displacement may happen as the result of investment of CDBG funds, then persons who may be affected must be given the proper General Information Notice (GIN) relocation notice prior to submitting the application. As part of the application, relocation activities must be addressed as they relate to completing the proposed activity.
5. Davis-Bacon and State Prevailing Wage Rates. If CDBG funds are used to pay for any new construction costs, in a project of more than eight units, then the entire construction contract is subject to Davis-Bacon and State prevailing wage rates.
6. NEPA Choice Limiting Actions. If CDBG funds pay to purchase or do construction work on a site, then the applicant must ensure they do not take a choice limiting action, as defined under the National Environmental Policy Act (NEPA), prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a sales contract for purchase of land (an option to purchase is acceptable) or executing a construction contract prior to state release of funds.

#### D. COMMUNITY NEED SCORING

The Department uses several need indicators, as follows:

- Need for new units, based on the jurisdiction's vacancy rate for the tenancy type proposed, taken from the 2000 census or a local survey;
- Percentage of renters who are overpaying based on the 2000 census;
- Rate of overcrowding based on the 2000 census;
- Project demand, based on a *project-specific* waiting list or market study; and
- Need for new low- and very low-income units, based on the council of government (COG) regional share data, as a percentage of the current number of units in the jurisdiction.

##### Supplemental Information:

If the applicant has extraordinary local circumstances related to housing conditions that are not documented by the census data, then the applicant may provide supplemental information in brief narrative format with any back up information in an appendix. For example, a recently conducted housing survey, which refutes the census data would work or documentation of a recent disaster that created a higher need for the proposed program.

## APPENDIX E

### ELIGIBLE ACTIVITIES: HOUSING ACQUISITION

#### A. ELIGIBLE ACTIVITIES

The purchase of existing permanent housing, including the costs of any rehabilitation, to be occupied by owners or renters, including the following activities:

1. Acquisition of existing rental housing, the majority of units of which are occupied. This includes acquisition of rental housing projects with “at-risk” project-based subsidies, by the recipient or other public or private nonprofit entity *References: 24 CFR 570.201(a) and 24 CFR 570.208(a)(3)*;
2. Homebuyer assistance programs that provide direct assistance to targeted income group homebuyers for the acquisition of existing or new units *Reference: 24 CFR 570.201(n.)*.
3. Resident-purchase of mobile home parks. *Reference: 24 CFR 570.201(n)*

#### B. ADDITIONAL CONSIDERATIONS

1. Displacement: Federal law requires that displacement due to CDBG activities be minimized. Applicants must design their housing programs with this objective in mind. If any temporary or permanent displacement may happen as the result of investment of CDBG funds, then persons who may be affected must be given the proper General Information Notice (GIN) relocation notice prior to submitting the application. As part of the application, relocation activities must be addressed as they relate to completing the proposed activity. Homebuyer assistance programs typically exclude assistance for tenant occupied units so permanent displacement is avoided.
2. Davis-Bacon and State Prevailing Wage Rates. If CDBG funds are used to pay for any construction (rehabilitation) costs, in a project of more than eight units, then the entire construction contract is subject to Davis-Bacon and State prevailing wage rates.
3. NEPA Choice Limiting Actions. If CDBG funds pay to purchase or do construction work on a site, then the applicant must ensure they do not take a choice limiting action, as defined under the National Environmental Policy Act (NEPA), prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a sales contract for purchase of land (an option to purchase is acceptable) or executing a construction contract prior to state release of funds.
4. Other Financing. Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of release of project funds. All project financing must be committed 90 days prior to the date construction will begin, as stated in the original application.

## C. COMMUNITY NEED SCORING

The Department will assess the need for this activity based on the following indicators:

- Jurisdiction's rental vacancy rate from the 2000 census (or a local survey) or the homeownership rate from the 2000 census, as applicable for the type of project proposed;
- Percentage of renters who are overpaying based on the 2000 census; and
- Rate of overcrowding, based on the 2000 census.

### Supplemental Information:

If the applicant has extraordinary local circumstances related to housing conditions that are not documented by the census data, then the applicant may provide supplemental information in brief narrative format with any back up information in an appendix. For example, a recently conducted housing survey, which refutes the census data would work or documentation of a recent disaster that created a higher need for the proposed program.

## APPENDIX F

### ELIGIBLE ACTIVITIES: HOUSING REHABILITATION

#### A. ELIGIBLE ACTIVITIES

CDBG funds may be used to finance the costs of repairs and improvements to owner- and renter- occupied units, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system). Under certain circumstances, rehabilitation can also include the demolition and reconstruction of dwelling units. Water or sewer laterals are considered rehabilitation when they are located on private property. The work is typically done by a licensed contractor, but the program will allow the use of sweat equity or an owner acting as a general contractor. Applicants may convert commercial properties into housing units.

Conversion of a non-residential structure to residential (adaptive reuse) is eligible under Housing Rehabilitation. However, if the conversion involves construction that goes beyond the envelope of the non-residential structure, the project may be a New Construction activity. If this is the case, please consult with your CDBG Representative. *Reference: 24 CFR 570.202(e).*

#### B. PROHIBITED ACTIVITIES

Rehabilitation does **not** include;

- Creation of a secondary housing unit attached to a primary unit;
- Installation of luxury items, such as a swimming pool;
- Costs of equipment, furnishings, or other personal property not as integral structural fixture, such as:
  - a window air conditioner; or
  - a washer or dryer (but a stove or refrigerator is allowed); or
- Labor costs for homeowners to rehabilitate their own property.

#### C. ADDITIONAL CONSIDERATIONS

1. Displacement: Federal law requires that displacement due to CDBG activities be minimized so activities must have this objective in mind. Typically, displacement is limited to temporary relocation for rehabilitation programs so applicants need to have an approved a temporary relocation plan for their program.
2. Davis-Bacon and State Prevailing Wage Rates. If CDBG funds are used to pay for any construction (rehabilitation) costs, in a project of more than eight rental units, then the entire construction contract is subject to Davis-Bacon and State prevailing wage rates.
3. NEPA Choice Limiting Actions. If CDBG funds pay for construction work on a site, then the applicant must ensure they do not take a choice limiting action, as defined under the National Environmental Policy Act (NEPA), prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a construction contract for a project prior to state release of CDBG funds.

4. Other Financing. Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of releasing any project funds. All project financing must be committed 90 days prior to the date construction will begin, as stated in the original application.

#### D. COMMUNITY NEED SCORING

The Department will use several need indicators:

- Age of housing stock (pre-1970) based on 2000 census data;
- Percentage of overcrowding based on 2000 census data;
- Percentage of units needing rehabilitation based on data in the jurisdiction's adopted housing element. If proposing activity in a target area, a local survey of the target area is acceptable if the data are more recent than the housing element data and less than five years old.

Supplemental Information:

If the applicant has extraordinary local circumstances related to housing stock condition that are not documented by the local housing element or census data sources, the applicant may provide supplemental information in brief narrative format with any back up information. For example, a recently conducted housing survey which has not been incorporated into a housing element yet or which refutes the census data would work. Documentation of a recent disaster that created a higher need for the proposed program would also work. Also, if the applicant is proposing to work in a specific target area, the Department will accept 2000 census data at the Census Block Group level for the target area(s).

## APPENDIX G

### ELIGIBLE ACTIVITIES: HOUSING PROGRAM (HOUSING REHABILITATION & HOUSING ACQUISITION)

This activity combines Housing Rehabilitation and Housing Acquisition. This activity will allow grantees to move CDBG funds back and forth between the two activities without CDBG approval.

#### A. ELIGIBLE ACTIVITIES

CDBG funds may be used to finance the costs of repairs and improvements to owner- and renter- occupied units, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system). Under certain circumstances, rehabilitation can also include the demolition and reconstruction of dwelling units. Water or sewer laterals are considered rehabilitation when they are located on private property. The work is typically done by a licensed contractor, but the program will allow the use of sweat equity or an owner acting as a general contractor.

The purchase of existing permanent housing, including the costs of any rehabilitation, to be occupied by owners or renters, including the following activities:

1. Acquisition of existing rental housing, the majority of units of which are occupied. This includes acquisition of rental housing projects with “at-risk” project-based subsidies, by the recipient or other public or private nonprofit entity *References: 24 CFR 570.201(a) and 24 CFR 570.208(a)(3)*;
2. Homebuyer assistance programs that provide direct assistance to targeted income group homebuyers for the acquisition of existing or new units *Reference: 24 CFR 570.201(n.)*.
3. Resident-purchase of mobile home parks. *Reference: 24 CFR 570.201(n)*

#### B. PROHIBITED ACTIVITIES

Rehabilitation does **not** include;

- Creation of a secondary housing unit attached to a primary unit;
- Installation of luxury items, such as a swimming pool;
- Costs of equipment, furnishings, or other personal property not as integral structural fixture, such as:
  - a window air conditioner; or
  - a washer or dryer (but a stove or refrigerator is allowed); or
- Labor costs for homeowners to rehabilitate their own property.

1. Displacement: Federal law requires that displacement due to CDBG activities be minimized. Applicants must design their housing programs with this objective in mind. Typically, displacement is limited to temporary relocation for rehabilitation programs. Applicants must have a state approved temporary relocation plan for their program. Homebuyer assistance programs typically exclude assistance for tenant occupied units so permanent displacement is avoided.
2. Davis-Bacon and State Prevailing Wage Rates. If CDBG funds are used to pay for any construction (rehabilitation) costs, in a project of more than eight rental units, then the entire construction contract is subject to Davis-Bacon and State prevailing wage rates.
3. NEPA Choice Limiting Actions. If CDBG funds pay for purchase of real property or construction work on a site, then the applicant must ensure they do not take a choice limiting action, as defined under the National Environmental Policy Act (NEPA), prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a sales contract for purchase of land (an option to purchase is acceptable) or executing a construction contract using CDBG funds.

#### C. COMMUNITY NEED SCORING

The Department will use several need indicators:

- Age of housing stock (pre-1970) based on 2000 census data;
- Percentage of overcrowding based on 2000 census data;
- Percentage of units needing rehabilitation based on data in the jurisdiction's adopted housing element. If proposing activity in a target area, a local survey of the target area is acceptable if the data are more recent than the housing element data and less than five years old.
- Jurisdiction's rental vacancy rate from the 2000 census (or a local survey) or the homeownership rate from the 2000 census, as applicable for the type of project proposed;
- Percentage of renters who are overpaying based on the 2000 census; and
- Rate of overcrowding, based on the 2000 census.

#### Supplemental Information:

If the applicant has extraordinary local circumstances related to housing stock condition that are not documented by the local housing element or census data sources, the applicant may provide supplemental information in brief narrative format with any back up information. Documentation of a recent disaster that created a higher need for the proposed program would also work. Also, if the applicant is proposing to work in a specific target area, the Department will accept 2000 census data at the Census Block Group level for the target area(s).

## APPENDIX H

### ELIGIBLE ACTIVITIES: COMMUNITY FACILITIES

#### A. ELIGIBLE ACTIVITIES

- Eligible Activities. This activity generally refers to the acquisition, rehabilitation, or new construction of buildings and grounds used for public purposes such as training, health services, education, recreation, nutrition, shelter, day care, temporary housing, and fire protection.
- Temporary Housing: To be eligible as a community facility, housing related activities must be designed for use in providing shelter for persons having special needs. Such shelters would include, but not be limited to, nursing homes, convalescent homes, shelters for victims of domestic violence, shelters and transitional facilities for the homeless, halfway houses for runaway children or drug offenders or parolees, group homes for the developmentally disabled and seasonal housing for migrant farm workers.

Targeted Income Group Benefit: The Department will award full points for applicants demonstrating 90% or more TIG benefit. When addressing a neighborhood or community-wide health and safety problem, benefit is generally provided to all the residents of a geographic area or all users of the community facility/service. Typically, only a portion of the beneficiaries of such an activity are TIG households, unless the target area is extremely depressed. Lowered benefit will not necessarily prevent an application from being funded, but any activity with less than 90 percent benefit to TIG households is likely to be at a competitive disadvantage against other activities.

Methods for Determining Area TIG Benefit: Applicants can use 2000 HUD low and moderate income data by census tract and census block group to document low income benefit of the area where the community facility will provide services. See Appendix B, 2004 income limits, in the 2005 application, for link to HUD web site with this information. If this data is not available for your area of benefit, then the applicant can use a household income survey to document the TIG benefit for a public works activity. See Appendix A in the 2005 application for sample survey form and methodology. If you are proposing to use some other source of information to document TIG benefit, then contact your state program representative to ensure it is acceptable.

Community Facility Beneficiaries with Presumed 100% TIG Benefit:

Limited clientele:

- Abused children*
- Homeless persons*
- Illiterate adults*
- Persons living with AIDS*
- Battered spouses*
- Migrant farm workers*
- Severely disabled adults (per census definition)*
- Seniors (over 65 years old) Scores as only 51% TIG*

## B. INELIGIBLE ACTIVITIES

- **Buildings used for the general operation of local government are not eligible** as community facilities, except that the removal of architectural barriers from such buildings is an eligible activity.
- **The costs of maintaining or operating a community facility are not eligible** as a community facility activity but may be eligible as a public service activity.
- **Refinancing loans on existing community facility buildings is not an eligible use** of CDBG funds unless the refinancing takes place in conjunction with the rehabilitation of the building.
- **Permanent housing is not eligible.**

## C. ADDITIONAL CONSIDERATIONS FOR COMMUNITY FACILITIES

1. Acquisition Costs. Applicants are not required to have site control at the time of application (lease agreement or option to purchase). However, site control will be a special condition of a grant award and will need to be obtained within the first 90 days of the grant. Jurisdictions will not be able to use CDBG funds to repay any acquisition costs (for example, bridge loans) incurred prior to the date the state contract is executed and all special conditions have been met.
2. Other Financing. Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of releasing any project funds. All project financing must be committed 90 days prior to date construction will begin, as stated in the original application.
3. Davis-Bacon and State Prevailing Wage Rates. If CDBG funds are used to pay for any construction costs, then the entire construction contract is subject to Davis-Bacon and State prevailing wage rates.
4. Use Limitation Agreement: A use limitation agreement will be required, to be in effect until five years after expiration of the CDBG contract.
5. Section 504 Compliance: Obtain certificate of compliance from the architect documenting that the facility meets Section 504 accessibility requirements.
6. Displacement: Federal law requires that displacement due to CDBG activities be minimized. Applicants must design their housing programs with this objective in mind. If any temporary or permanent displacement may happen as the result of investment of CDBG funds, then persons who may be affected must be given the proper General Information Notice (GIN) relocation notice prior to submitting the application. As part of the application, relocation activities must be addressed as they relate to completing the proposed activity.

7. NEPA Choice Limiting Actions. If CDBG funds pay for purchase of real property or construction work on a site, then the applicant must ensure they do not take a choice limiting action, as defined under the National Environmental Policy Act (NEPA), prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a sales contract for purchase of land (an option to purchase is acceptable) or executing a construction contract using CDBG funds.

#### D. COMMUNITY NEED SCORING

The Department will assess the need for these activities based on:

- the severity of the problem being addressed, and
- the extent to which the proposed action will solve the problem.

Applicants with strong quantitative third-party documentation of the problem will be more competitive. Such documentation could include, but not be limited to, waiting list information and data from government agencies. In rating and ranking these proposed activities, the Department will assign points based on the relative severity of problems among all applications. The most competitive applications will address a serious threat to the health, safety or well-being of the proposed beneficiaries.

## APPENDIX I

### ELIGIBLE ACTIVITIES: PUBLIC WORKS

#### A. ELIGIBLE ACTIVITIES

Eligible activities. Eligible activities include the costs of acquisition, construction, or installation of the public works project and site or other improvements, including water and sewer facilities, flooding and drainage facilities, utilities, and flood control.

Targeted Income Group Benefit: The Department will award full points for applicants demonstrating 90% or more TIG benefit. When addressing a neighborhood or community-wide public works problem, benefit is generally provided to all the occupants of a geographic area or all users of the facility/service. Typically, only a portion of the beneficiaries of such an activity are TIG households, unless the target area is extremely depressed. Lowered benefit will not necessarily prevent an application from being funded, but any activity with less than 90% benefit to TIG households is likely to be at a competitive disadvantage with other activities. *Note: Assessments may be paid by CDBG only if the unit is owned and occupied by a TIG household so these activities are 100% TIG benefit.*

Methods for Determining Area TIG Benefit: Applicants can use 2000 HUD low and moderate income data by census tract and census block group to document low income benefit of the area where the infrastructure improvement will take place. Please refer to Appendix B, 2004 income limits, in the 2005 application, for the link to the HUD web site with this information. If this data is not available for your area of benefit, then the applicant can use a household income survey to document the TIG benefit for a public works activity. See Appendix A in the 2005 application for sample survey form and methodology. If you are proposing to use some other source of information to document TIG benefit, then contact your state program representative to ensure it is acceptable.

#### B. OTHER CONSIDERATIONS

1. Site Acquisition Costs: Jurisdictions will not be able to use CDBG funds to repay any acquisition costs (for example, bridge loans) incurred prior to the date the state contract is executed and all special conditions have been met.
2. Other Financing. Applicants are not required to have other project financing committed at the time of application. However, the timing of the financing will be a specified condition of releasing any project funds. All project financing must be committed 90 days prior to the date construction will begin, as stated in the original application. For assessment district formation, applicants must show that the assessment has passed by a vote of the local residents.

3. Davis-Bacon and State Prevailing Wage Rates. If CDBG funds are used to pay for any construction costs or property assessments, then the entire construction contract is subject to Davis-Bacon and State prevailing wage rates.
4. NEPA Choice Limiting Actions. If CDBG funds pay for purchase of real property or construction work on a site, then the applicant must ensure they do not take a choice limiting action, as defined under the National Environmental Policy Act (NEPA), prior to obtaining release of CDBG funds for the proposed activity. Choice limiting actions include executing a sales contract for purchase of land (an option to purchase is acceptable) or executing a construction contract prior to state release of funds.

### C. COMMUNITY NEED SCORING

The Department will assess need for these activities based on:

- the severity of the health and safety problem to be addressed; and
- the likelihood that the funds requested will substantially reduce or eliminate the problem.

Applicants with strong third-party documentation will be more competitive. Such documentation could include but not be limited to: having a cease and desist order on the community; ranking on other agencies' funding lists and orders from government agencies. In rating and ranking these proposed activities, the Department will assign points based on the relative severity of problems among all applications. The most competitive applications will include documentation that funding for long-term operation and maintenance of the system has been provided for through a structured rate schedule.

## APPENDIX J

### ELIGIBLE ACTIVITIES: PUBLIC SERVICES

#### A. ELIGIBLE ACTIVITIES

Eligible Activities: Under this category, CDBG funds may be used to provide public services including labor, supplies, materials, and other costs. Paying the cost of operating and maintaining that portion of a facility in which the service is located also falls under this category. Public services include, but are not limited to:

- child care
- health care
- job training
- recreation programs
- education
- public safety
- services for senior citizens
- services for homeless persons
- drug and alcohol abuse counseling and testing
- transportation services
- nutrition services

Targeted Income Group Benefit: The Department will award full points for applicants demonstrating 90% or more TIG benefit. When addressing a neighborhood or community-wide health and safety problem, benefit is generally provided to all the residents of a geographic area or all users of the facility/service. Typically, only a portion of the beneficiaries of such an activity are TIG households, unless the target area is extremely depressed. Lowered benefit will not necessarily prevent an application from being funded, but any activity with less than 90% benefit to TIG households is likely to be at a competitive disadvantage against other activities.

Methods for Determining Area TIG Benefit: Applicants can use 2000 HUD low and moderate income data by census tract and census block group to document low income benefit of the area where the public service will take place. Please refer to Appendix B, 2004 income limits, in the 2005 application, for link the to the HUD web site with this information. If this data is not available for your area of benefit, then the applicant can use a household income survey to document the TIG benefit for a public works activity. See Appendix A in the 2005 application for sample survey form and methodology. If you are proposing to use some other source of information to document TIG benefit, then contact your state program representative to ensure it is acceptable.

Public Service Beneficiaries with Presumed 100% TIG Benefit:

Limited clientele:      *Abused children*  
*Homeless persons*  
*Illiterate adults*  
*Persons living with AIDS*  
*Battered spouses*  
*Migrant farm workers*  
*Severely disabled adults (Per census definition)*  
*Seniors (over 65 years old) Scores as only 51% TIG*

B. RESTRICTIONS ON THE USE OF CDBG FUNDS FOR PUBLIC SERVICES ACTIVITIES

Federal regulations establish these restrictions on the use of CDBG funds for public services:

1. The service must be new in that it has never been provided or has been discontinued more than 12 months prior to the date the application is filed with the Department. Public services currently funded with CDBG grant funds are eligible activities; or
2. The service must be a quantifiable increase in the level of service over the past 12 months unless an otherwise imminent decrease in level is found not be caused by local governmental action.
3. Additionally, the State CDBG allocation for public services cannot exceed 15% of the total award to the State in that year.
4. CDBG funds may **not** be used to provide on-going grants or non-emergency aid (more than three months) to individuals for their food, clothing, rent, utilities, or other income payments.

C. COMMUNITY NEED SCORING

The Department will assess the need for these activities based on:

- the severity of the problem being addressed; and
- the extent to which the proposed action will solve the problem.

Applicants with strong quantitative third-party documentation of the problem will be more competitive. Such documentation could include, but not be limited to, waiting list information and data from government agencies. In rating and ranking these proposed activities, the Department will assign points based on the relative severity of problems among all applications. The most competitive applications will address a serious threat to the health, safety or well-being of the proposed beneficiaries.

## APPENDIX K

### **ELIGIBLE ACTIVITIES: PLANNING ACTIVITIES FOR COLONIAS ONLY**

#### A. ELIGIBLE ACTIVITIES

Under the Colonias Allocation, planning activities are also eligible. For the purposes of this NOFA, planning activities, such as site suitability studies or market suitability studies, are those that precede a community's decision to proceed with a project.

#### B. ADDITIONAL CONSIDERATIONS

A study funded with CDBG funds must be directed towards the planning of a project which, if brought to completion, would meet the CDBG objectives set forth in State and Federal law as contained in the Program Requirements section of this NOFA. There is no requirement, however, that CDBG funds be used to complete the project. The project planned or assisted through the use of these Colonia funds, may be completed through the use of private funds or other public funding sources.

#### C. COMMUNITY NEED SCORING

The Department will assess the need for these activities based on the narrative description of the activity that is being planned and the potential for meeting CDBG objectives set forth in State and Federal law as contained in the Program Requirements section of this NOFA. Describe the need for the planning activity by completing the Planning activity description form.

## APPENDIX L

*(Notice should be published at least 10 days prior to the hearing. Project design hearing should be at least 30 days prior to the project submittal hearing.)*

### **SAMPLE NOTICE FOR THE PUBLIC HEARING HELD AT THE PROJECT DESIGN PHASE**

#### **NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City of \_\_\_\_\_ will conduct a public hearing by the City Council on Wednesday, October 6, 2004, at 6:00 p.m. at the City Hall Conference Room, \_\_\_\_\_ Street, to discuss the Fiscal Year 2005/2006 Community Development Block Grant program and to solicit citizen input.

Maximum award limits include a total of \$800,000 per year from the General and Economic Development Components combined. Up to \$500,000 per application per year may be awarded from the General and Economic Development Components. Grants up to \$35,000 per year from the General Planning and Technical Assistance allocation and \$35,000 per year for Economic Development Planning and Technical Assistance allocation may be awarded and do not count toward the \$800,000 cap.

The Native American allocation is available for eligible activities in areas with concentrations of Native American Indians not federally recognized as an Indian tribe or rancheria. The amount of Native American funds available varies each year, and a grant from this allocation does not count toward the \$870,000 cap under the General, Economic Development, and Planning and Technical Assistance allocations of the CDBG Program.

The amount of Colonias Allocation funds available varies each year, and a grant from this allocation does not count toward the \$870,000 yearly cap under the General, Economic Development, and Planning and Technical Assistance allocations of the CDBG Program.

The major activity categories are Housing-New Construction, Housing-Acquisition, Housing-Rehabilitation, Community Facilities, Public Services, Public Works, and Planning (for Colonias only) Activities. Projects funded with CDBG General, Native American, and/or Colonias Allocations must meet the National Objective of Benefit to Targeted Income Group (TIG) persons. The Economic Development Allocation can meet any of the three National Objectives, Benefit to Targeted Income Group (TIG) persons, elimination of slums and light, and meeting urgent community development needs.

The Community Development/Housing Department on behalf of the City of \_\_\_\_\_ anticipates applying for multiple year funding with the maximum grant amount of \$800,000 per year under the General and Economic Development Components for housing rehabilitation and Reservation of Funds for small business loans as well as the maximum grant amount of \$70,000 from the General and Economic Development Planning and Technical Assistance Components.

The purpose of the public hearing will be to give citizens an opportunity to make their comments known. If you are unable to attend the public hearing, you may direct written comments to the City of \_\_\_\_\_, Community Development/Housing Department, \_\_\_\_\_ Street, \_\_\_\_\_, CA 9\_\_\_\_ or you may telephone \_\_\_\_\_. In addition, a public information file is available for review at the above address between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment/disability, please contact \_\_\_\_\_ at \_\_\_\_\_ to arrange for those accommodations to be made.

The City/County promotes fair housing and makes all programs available to low and moderate income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.

*(Publish at least 10 days prior to hearing)*

**SAMPLE NOTICE FOR PUBLIC HEARING HELD**  
**AT THE APPLICATION SUBMITTAL PHASE**

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City of \_\_\_\_\_ will conduct a public hearing by the City Council on Tuesday, March 1, 2005, at 6:00 p.m. at the City Hall Conference Room, \_\_\_\_\_ Street to discuss the Fiscal Year 2005/2006 Community Development Block Grant application and to solicit citizen input.

The Community Development/Housing Department on behalf of the City of \_\_\_\_\_ is applying for multiple year funding with the maximum grant amount \$1,500,000 (\$500,000 per year for 3 years) under the \_\_\_\_\_ Allocation for \_\_\_\_\_ (identify all activities) in the \_\_\_\_\_ (identify city/county/neighborhood/colonia etc.).

The purpose of the public hearing will be to give citizens an opportunity to make their comments known. If you are unable to attend the public hearing, you may direct written comments to the City of \_\_\_\_\_, Community Development/Housing Department, \_\_\_\_\_ Street, \_\_\_\_\_, CA 9\_\_\_\_ or you may telephone \_\_\_\_\_. In addition, a public information file is available for review at the above address between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment/disability, please contact \_\_\_\_\_ at \_\_\_\_\_ to arrange for those accommodations to be made.

The City/County promotes fair housing and makes all programs available to low and moderate income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.

**STATE CDBG PROGRAM  
APPLICATION PACKAGE REQUEST FORM *for***

- **2005/2006 General Allocation**
- **2005/2006 Native American Allocation**
- **2005/2006 Colonias Allocation**

<b>Mail or fax this Request Form to:</b>
--

Bei-Hei Zhang, Program Secretary  
 State Community Development Block Grant Program  
 California Department of Housing and Community Development  
 2710 Gateway Oaks Drive, North Building, Suite 190  
 Sacramento, CA 95833  
 FAX (916) 263-0489

**NOTE: If requesting this information after February 2005, then the above contact information may not be correct. See contact information on the cover page of this NOFA.**

___	YES. Please send the <b>2005/2006 CDBG General, Native American, and Colonias Application Package</b> as follows:	
___	___	Mail a hard copy (paper)
___	___	Mail a CD copy
___	___	E-Mail: My E-Mail address is: _____

<b>Name:</b>	
<b>Organization:</b>	
<b>Address:</b>	
<b>City/State/Zip Code</b>	
<b>Telephone:</b>	
<b>FAX #:</b>	

**NOTE:** If you return this form and do not receive a mailing within two weeks of your request, please call the CDBG Program Secretary at (916) 263-0485.