

NOTICE OF FUNDING AVAILABILITY

Community Development Block Grant Program
Economic Development Allocation

**OVER-THE-COUNTER COMPONENT
2008/09**



**STATE OF CALIFORNIA
Department of Housing and Community Development
Division of Financial Assistance
State Enterprise and Economic Development Section
1800 3rd Street, Suite 390
Sacramento, CA 95811**

**Telephone: (916) 552-9398
Website: <http://www.hcd.ca.gov/ca/cdbg/>**

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TABLE OF CONTENTS

	Topic	Page #
1	Funding Notice	1
2	Recent Changes	1
3	Use of Funds	2
4	Application Dates and Details	2
5	Application Workshops	3
6	Application Review Process	3
7	Award Processing	5
8	Funding Limits	6
9	Eligible Applicants	6
10	Eligible Activities	7
11	Program Requirements	8
12	General Administration Costs	9
13	Public Hearings	9
14	Statement of Assurances	9
15	Public Records Act	9

	Appendices	
A	Eligible Jurisdictions & CDBG Economic Development Staff Assignments	10
B	Public Hearings Requirement	16

1. FUNDING NOTICE

The Department of Housing and Community Development (Department) announces the availability of approximately **\$7 million** for the 2008/09 funding cycle of the Over-The-Counter (OTC) Program Component of the State Community Development Block Grant (CDBG) Program's Economic Development (ED) Allocation.

Authorizing Legislation and Regulations: The CDBG Program is authorized by the Housing and Community Development Act of 1974 (Act) as amended, and Subpart I of the Federal CDBG Regulations. The requirements of the State Program are in Title 25 of the California Code of Regulations, Section 7050, et seq.

This Notice of Funding Availability (NOFA) summarizes portions of the regulations that are likely to be of greatest interest to the applicant or that require further explanation. This NOFA does not cover all the regulatory provisions that may be applicable. In addition to using this NOFA, applicants are encouraged to review the regulations, attend the application preparation workshop, and contact Program staff with additional questions.

Application Package: The Application contains the required forms for application submittal, instructions for completing those forms, and detailed descriptions of the requirements. **If you are interested in applying for funding, you must request the application from the CDBG program or download it from the Program's website at: <http://www.hcd.ca.gov/ca/cdbg/funds/>.** For questions, contact the Program Secretary at the CDBG Program's main telephone line at (916) 552-9398.

2. RECENT CHANGES:

There are no new changes this year. The following notable changes have been implemented within the last three years and continue to be in effect.

- A. Self-Certifications of housing element status will not be required with the application. Housing element status will be confirmed with the Department's Housing Policy Development Division. Jurisdictions not in compliance will not be eligible to be awarded funds.
- B. The maximum amount of funds available for the OTC component is \$2.5 million per applicant, per program funding year.
- C. Applicants may request a two-year grant, totaling no more than \$5 million. Each annual allocation would be for \$2.5 million.
- D. HUD is now gathering performance measurement information to determine how well programs and activities are meeting established needs and goals. Most of the information will be collected during or at the completion of the grant activity. Program reports submitted by grantees will be updated to request performance measurement data.

- E. There is no longer a requirement for economic development projects to meet the “but for” test. Applicants are not required to document that the proposed Economic Development project would not go forward without CDBG assistance. However, the issue of undue enrichment to a business/developer as a result of an infusion of CDBG funds into a project must be addressed.

3. USES OF FUNDS

Under the OTC Program, the Department provides grant funds to eligible cities and counties for the following purposes:

- A. To make loans to employers for an identified CDBG-eligible activity, which will result in the creation or retention of permanent jobs; or
- B. To construct infrastructure improvements, which are necessary to accommodate the creation, expansion or retention of a business that will create or retain jobs.

4. APPLICATION DATES AND DETAILS

- A. Key dates:

NOFA release:	April 2008
Application release:	April 2008
Applications accepted at the Department:	Continuously, upon Invitation
Final Application Due Date	March 13, 2009

- B. Number of copies: Original and two (2) copies, both with all required attachments.

C. Mail to or Deliver to: State Community Development Block Grant Program
Department of Housing and Community Development
1800 3rd Street, Suite 390, Sacramento, CA 95811

Telephone: (916) 552-9398 (Program Secretary)
(916) 319-8400, Mimi Bettencourt, Program Mgr.
Email: mbettencourt@hcd.ca.gov
Fax: (916) 319-8488

5. APPLICATION WORKSHOPS

The Department will present application training workshops at locations throughout the state. The dates and locations of these workshops will be posted at our website at: <http://www.hcd.ca.gov/fa/cdbg/mmemo>. The workshops will include a brief overview of the OTC Program, a discussion on “deal structuring,” and a discussion on application preparation/submission. Eligible applicants who intend to apply for OTC funding or who are interested in identifying potential OTC projects in their jurisdiction during this funding cycle should attend the workshop in their area. Interested applicants should review this NOFA as well as the Application Package and come prepared with questions and ideas for preparing an application.

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such an action occurs, the Department will notify interested parties.

6. APPLICATION REVIEW PROCESS

- A. The Project Pre-Screening: The state strongly recommends that a project pre-screening packet be submitted to the Department prior to submitting a full application. The project pre-screening forms are found within the OTC Application. In addition to the project pre-screening, the appropriate checklist (i.e., Business, Developer, etc.) must be completed to provide information regarding the status of the project. The purpose of the project pre-screening is to allow CDBG staff to evaluate the viability of the project, identify project issues, and communicate the OTC program parameters and requirements.
- B. Project Pre-Screening Meeting: If a site meeting or conference call has not been accomplished prior to the project pre-screening submittal, a meeting will be set up to review and discuss the project in its entirety. Attendees at the site meeting should include a representative of the applicant jurisdiction, the developer and/or business owner receiving assistance, the CDBG Program’s financial consultant and the CDBG Economic Development representative. The private developer or business will be required to bring all pertinent project and financial information to this meeting.

- C. Invitation to Submit an Application: When the Department has determined that the project is ready to move forward in the process, the jurisdiction will be invited to submit a full application to the Department. Invitation to submit a full application is based on fully completing readiness factors, such as:
- Market feasibility of the proposed activity;
 - Approval status of local and other regulatory requirements on the proposed project;
 - Ownership/control status of any real estate needed for the proposed activities;
 - Project and grant management capacity, proposed job creation/retention and public benefit; and
 - Eligibility of “net new jobs” created or jobs retained.
- D. Application Submittal: Applications are accepted on a continuous basis until all funds are awarded for the funding year. Upon receipt of an application, the Department will review the application under a four-stage process.
- i. Completeness: The application will first be reviewed for completeness. Incomplete applications will be returned to the applicant within **thirty (30) days** of receipt, along with a written explanation of any deficiencies that must be corrected prior to resubmission.
- ii. Threshold: Upon passing the completeness process, the application will undergo a minimum-threshold test. If the application fails this test, it will be returned to the applicant with a written explanation of any deficiencies that must be corrected prior to resubmission. This review rates the application according to criteria in the State CDBG Regulations, Sections 7062.1 (c) (7). The application must attain at least 50 points of the 80 total points to be eligible to pass on to the third review stage. The factors are listed below:

Factor	Maximum Number of Points
Percent of countywide unemployment relative to the statewide average	25
Ratio of CDBG funds per unit of public benefit: A maximum of \$35,000 per job created or retained or \$350 per low/moderate income person served	15
Ratio of private funds to CDBG funds	15
Quality of applicant's past performance of CDBG ED grants	15
Percent of funds allocated to applicant's general administrative costs	10
Total Points Possible:	80

- iii. Underwriting Review is the third step. Upon passing the threshold test, the application's financial underwriting will be reviewed using HUD underwriting guidelines. The evaluative factors used, which are specified in the State CDBG regulations, and assess whether:
- (1) Project costs are reasonable;
 - (2) All sources of project financing are committed;
 - (3) To the extent practicable, CDBG funds are not substituted for non-federal financial support;
 - (4) The project is financially feasible;
 - (5) To the extent practicable, the return on the owner's equity investment will not be unreasonably high; and
 - (6) To the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project.
- iv. CDBG Loan Committee: The final step is submission of the application to the CDBG Loan Committee, the Economic Development Advisory Committee (EDAC), at a public meeting held approximately **forty-five (45) days** from the receipt of a complete application.

This submission involves writing a summary report (staff report) of the project by CDBG staff, which recommends approval or denial of the application. In addition to the staff report, the applicant and/or business/developer makes a presentation to the EDAC on the project. The EDAC accepts, rejects or modifies the staff recommendation. The EDAC then votes on a funding recommendation to be provided to the Director of the Department who has final approval authority. The Director's funding decision is made **approximately sixty (60) days** from the receipt of a complete application.

7. AWARDS PROCESSING

All funded applications will be formalized through the execution of a Standard Agreement (Agreement). The Agreement contains information about the terms and any special conditions of the award. Special conditions must be met within **ninety (90) days** of the state's execution of the Agreement (i.e., the Department's stamped approval date). If the conditions are not met, the Department may terminate the Agreement.

After the Grant Agreement is executed by the Department, the project may expend General Administration funds to satisfy special conditions. However, costs for program-related activities may not be incurred until written approval is received from the Department that all Agreement conditions for the activity have been satisfied. Any grant costs the grantee incurs prior to this Agreement's execution by the Department will be at the jurisdiction's risk and may not be

eligible for reimbursement. Information about processing times and authorization requirements will be provided at the time the Agreement is sent to the grantee.

For further information, please call your CDBG Economic Development Representative or the CDBG Program Secretary at (916) 552-9398.

8. FUNDING LIMITS

Maximum award limits: Up to \$2.5 million per application, per program year. Applicants may apply for up to \$5 million over a two-year allocation (\$2.5 million per year.)

9. ELIGIBLE APPLICANTS

A. In general, incorporated cities with a population of less than 50,000 persons and counties with an un-incorporated area population of under 200,000 persons are eligible to participate in the State CDBG Program. The following exceptions apply:

- i. If a city with a population of less than 50,000 persons has entered into a three-year urban county Cooperation Agreement with HUD, that city cannot participate in the State CDBG Program until the expiration of the Agreement.
- ii. If a city with a population of less than 50,000 persons 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 HUD.

B. In addition, all applicants must meet the following criteria to be considered for funding:

- i. No unresolved audit findings or performance problems: 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:
 - a. Such problems or findings result in no obligation to return funds to the grantor;
 - b. Arrangements satisfactory to the grantor have been made for repayment or performance; or
 - c. A formal action to resolve the matter has been taken.

Additionally, some jurisdictions may be “held out” from receiving funds if there are unresolved findings from monitoring prior CDBG grants or if the jurisdiction has excessive program income on hand. If unsure of eligibility status, applicants should contact their Economic Development representative.

- ii. Housing Element compliance: The Department 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.

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

- iii. 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. However, this provision shall not be applicable to:
- a. An ordinance adopted by a city or county, which does any of the following:
- 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;
 - Creates agricultural preserves under Chapter 7 (commencing with Section 51200) of Part 2 of Division 1 of Title 5 of the Government Code; or
 - Was adopted pursuant to a specific requirement of a state or multi-state board, agency, department, or commission.
- b. A city or county, which has a housing element that the Department has found to be adequate pursuant to subdivision (c) of Section 65585 or Section 65586 of the Government Code at the time the proposal is scheduled to be taken before the Economic Development Advisory Committee, 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.

10. ELIGIBLE ACTIVITIES

Local governments apply to the Department on behalf of a business or developer; likewise, the CDBG award and grants are made to local governments. The Department does not make direct loans or grants to the business or developer. CDBG funds may not unduly enrich a private enterprise in a project; therefore, the applicant and business/developer are required to provide a reasonable amount of private and or other public financing as leverage. CDBG is typically not the sole source of financing. Typical eligible activities are:

- Construction loans (business/developer);
- Equipment purchase loans (business/developer);
- Working capital loans (business/developer);
(note: working capital and Furniture, Fixtures, and Equipment are not eligible costs for assisting non-profit organizations);

- Land acquisition loans (business/developer);
- Loans for privately owned on-site improvements (business/developer);
- Loans for business start-ups (business);
- Loan guaranties (business/developer);
- Grants for publicly owned infrastructure/off-site improvements (city/county); and
- Grants or loans for small business incubators (city/county).

Other activities may also be eligible. Applicants should contact their Economic Development Program representative if applying for an activity other than what is listed above. The timing to expend project activity funds may affect the reimbursement eligibility of these funds.

Generally, costs incurred prior to the execution of the Standard Agreement are not eligible to be paid for with CDBG funds. Additionally, only the project costs incurred after the satisfaction of the Agreement's Special Conditions, which includes the National Environmental Policy Act environmental review, are eligible for reimbursement. Applicants are advised to contact their Economic Development representative in advance to determine the timeframe to incur project costs.

11. PROGRAM REQUIREMENTS

Funded activities must meet state and federal CDBG program requirements, which include meeting a national objective, ensuring sufficient public benefit, and meeting HUD underwriting guidelines.

A. National Objective Requirement: Each activity must meet at least one of three national objectives:

- i. Benefit to the Targeted Income Group (TIG). At least 51 percent of the jobs created or retained by a project must be filled by individuals from a TIG household. TIG is based on a county's median income limit, adjusted for family size, as provided annually by HUD. A TIG household has a combined family income at 80 percent or below of the adjusted county median family income.
- ii. Aid in the prevention or elimination of slums or blight.
- iii. Meet a community development need having a particular urgency.

B. Public Benefit: All projects must achieve a minimum level of public benefit (job creation) from the expenditure of CDBG funds. All new jobs must be generated within the term of the grant agreement. Minimum standards for public benefit are as follows:

- i. The project must lead to the creation or retention of at least one full-time equivalent job per \$35,000 of CDBG funds used; or
- ii. The project provide goods and services to residents of an area, such that the number of TIG persons residing in the areas served by the assisted business amounts to at least one TIG person per \$350 of CDBG funds used.

- C. HUD and State Underwriting Guidelines and Project Review Criteria: Prior to making an award, the Department will review the underwriting submitted to ensure projects are financially viable and will make the most effective use of the CDBG funds. Additional details may be found in Section 6 (D) (iii) above.

12. GENERAL ADMINISTRATION COSTS

Grantees are limited to 7.5 percent of the total grant amount for General Administration expenses. In addition, grantees are allowed up to 8 percent of the Activity Budget (i.e., application amount less the general administration amount) for Activity Delivery costs, not to exceed \$40,000 unless approved in advance by the Department.

13. PUBLIC HEARINGS

CDBG Regulations require that two public hearings be held before the jurisdiction submits an application to the Department. The first hearing must be held during the program design stage. The second must be held before the application is sent to HCD. See Appendix B for more information about the requirement for public hearings.

14. STATEMENT OF ASSURANCES

Certain applicable laws and regulations/applicant certification apply. Federal and State statutes, regulations, and Executive Orders apply to the CDBG program. Some pertain to all local CDBG activities such as audits and procurement standards. Others are specific to certain activities, such as relocation law and labor standards.

By state regulation, Title 25, California Code of Regulations Section 7070 (c)(3), applicants must submit a certification signed by the Chief Executive Officer. This certification must provide assurances that the jurisdiction and all subrecipients will comply with all state and federal requirements.

The Statement of Assurances must be signed by the jurisdiction's Chief Executive Officer, regardless of any signatory designation in the governing body's resolution authorizing submission of the application.

15. 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.

APPENDIX A

ELIGIBLE JURISDICTIONS AND CDBG ECONOMIC DEVELOPMENT STAFF ASSIGNMENTS

Mimi Bettencourt, Program Manager (916) 319-8400
mbettencourt@hcd.ca.gov

MeLisa Adams, Program Secretary (916) 552-9398
madams@hcd.ca.gov

John Almanza (916) 323-1450
jalmanza@hcd.ca.gov

Jon Diedesch (916) 319-8402
jjdiedesch@hcd.ca.gov

Jim Miwa (916) 319-8483
jmiwa@hcd.ca.gov

Patrick Talbott (916) 552-9361
ptalbott@hcd.ca.gov

STAFF ASSIGNMENTS BY JURISDICTION

ALPINE COUNTY	John Almanza
AMADOR COUNTY Amador City Ione Jackson Plymouth Sutter Creek	Jon Diedesch
BUTTE COUNTY Biggs Gridley Oroville	Patrick Talbott
CALAVERAS COUNTY Angels Camp	Jon Diedesch
COLUSA COUNTY Colusa Williams	Jon Diedesch
DEL NORTE COUNTY Crescent City	Patrick Talbott
EL DORADO COUNTY Placerville South Lake Tahoe	Jim Miwa
*FRESNO Firebaugh Huron Orange Cove Parlier San Joaquin	Patrick Talbott
GLENN COUNTY Orland Willows	Patrick Talbott

* 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.

STAFF ASSIGNMENTS BY JURISDICTION

HUMBOLDT COUNTY	Patrick Talbott
Arcata	
Blue Lake	
Eureka	
Ferndale	
Fortuna	
Rio Dell	
Trinidad	
IMPERIAL COUNTY	Jon Dienesch
Brawley	
Calexico	
Calipatria	
Holtville	
Imperial	
Westmorland	
INYO COUNTY	John Almanza
Bishop	
*KERN COUNTY	Jim Miwa
McFarland	
Taft	
Wasco	
KINGS COUNTY	Patrick Talbott
Avenal	
Corcoran	
Lemoore	
LAKE COUNTY	John Almanza
Clearlake	
Lakeport	
LASSEN COUNTY	Patrick Talbott
Susanville	
*LOS ANGELES COUNTY	Jim Miwa
Artesia	
Avalon	
Hidden Hills	
Industry	
Palos Verde Estates	
Vernon	
MADERA COUNTY	John Almanza
Chowchilla	

MARIPOSA COUNTY	Jon Dienesch
MENDOCINO COUNTY Fort Bragg Point Arena Ukiah Willits	John Almanza
MERCED COUNTY Atwater Dos Palos Gustine Livingston Los Banos	John Almanza
MODOC COUNTY Alturas	John Almanza
MONO COUNTY Mammoth Lakes	John Almanza
MONTEREY COUNTY Carmel Del Rey Oaks Gonzales Greenfield King City Marina Pacific Grove Sand City Soledad	Jim Miwa
NAPA COUNTY American Canyon Calistoga St. Helena Yountville	John Almanza
NEVADA COUNTY Grass Valley Nevada City Truckee	Jon Dienesch
*ORANGE COUNTY San Juan Capistrano	Jim Miwa

PLACER COUNTY Auburn Colfax Lincoln Loomis	John Almanza
PLUMAS COUNTY Portola	Jon Diedesch
*RIVERSIDE COUNTY Calimesa Rancho Mirage Indian Wells Coachella	Jon Diedesch
SAN BENITO COUNTY Hollister San Juan Bautista	Jim Miwa
*SAN LUIS OBISPO COUNTY Morro Bay Pismo Beach	John Almanza
*SANTA BARBARA COUNTY Guadalupe	John Almanza
SANTA CRUZ COUNTY Capitola Scotts Valley	Jim Miwa
SHASTA COUNTY Anderson Shasta Lake	Patrick Talbott
SIERRA COUNTY Loyalton	Jon Diedesch
SISKIYOU COUNTY Dorris Dunsmuir Etna Fort Jones Montague Mount Shasta Tulelake Weed Yreka	Jim Miwa

SOLANO COUNTY Benicia Dixon Rio Vista Suisun City	John Almanza
*STANISLAUS COUNTY Hughson Riverbank	John Almanza
SUTTER COUNTY Live Oak	Jon Diedesch
TEHAMA COUNTY Corning Red Bluff Tehama	Patrick Talbott
TRINITY COUNTY	Patrick Talbott
TULARE COUNTY Dinuba Exeter Farmersville Lindsay Woodlake	Jon Diedesch
TUOLUMNE COUNTY Sonora	Jon Diedesch
YOLO COUNTY West Sacramento Winters	Patrick Talbott
YUBA COUNTY Marysville Wheatland	Jon Diedesch

APPENDIX B

Public Hearings Requirement

PUBLIC HEARINGS

A public hearing is a public meeting that has been noticed in a local newspaper of general circulation, or noticed in a fashion that otherwise follows local procedures for formal noticing of public hearings. The only public hearing that must be held before the local governing body is the hearing prior to submitting an application for funding to CDBG. Any designated employee or agent of the city or county who is knowledgeable about the program may conduct all other public hearings.

WHEN TO HOLD A PUBLIC HEARING

The jurisdiction must hold a public hearing 1) at project design phase, and 2) before submitting an application for funding.

The Department requires that an adequate amount of time pass between the first and second hearings to ensure the public has time to review and comment on eligible activities and proposals. The Department recommends 30 days between hearing dates.

WHAT TO COVER IN THE APPLICATION HEARINGS

It is important to fully disclose the following information to the public at the public hearings held prior to submitting the application to the Department:

- A. At project design phase. At least one public hearing must be held during the time when the jurisdiction is deciding for which local project(s) or activity(ies) to apply for CDBG funding. Residents of the area where CDBG funds will be used should be encouraged to participate. At this hearing, the following information must be offered:
 - i. An explanation of the CDBG program;
 - ii. An opportunity for attendees to ask questions and suggest possible uses of funds;
 - iii. Information about the amount of funding available;
 - iv. The range of possible activities that may be undertaken with CDBG funds and the opportunities for citizen involvement as the program progresses;
 - v. Discussion of the national objective of benefit to Targeted Income Group (TIG) persons or other national objective;
 - vi. Information about plans to minimize displacement that may occur as a result of grant funding;
 - vii. Information that any assessments resulting from a CDBG-funded project will not be paid by members of the lowest TIG and whether TIG households who benefit from the project must pay any assessments;

- viii. An invitation for written comments and how to submit such comments; and
- ix. Information about the availability of technical assistance to groups representing TIG persons that request such assistance in developing proposals.

B. Before submitting an application for funding. After the application has been prepared and before it is submitted to the Department, the jurisdiction must hold a second public hearing. At this time, the same information in the first six items listed above should be covered. In addition, the jurisdiction should:

- i. Fully describe the proposed activity(ies) in the application;
- ii. Provide information about the amount of funding that is being requested;
- iii. Describe where each activity will be carried out and how it will meet the national objective of (1) benefit to TIG persons, or (2) the prevention or elimination of slums or blight;
- iv. Provide information on the estimated time schedule to accomplish the activity;
- v. Provide opportunity for attendees to comment on the program, subject to the applicant's normal rules governing public hearings; and
- vi. A relocation plan, if residents will be relocated as a result of the proposed activity

NOTICING REQUIREMENTS

All hearings should be noticed as widely as possible and held at a time and place convenient to the public, with accommodations for persons with disabilities. Where a significant number of non-English speaking persons can reasonably be expected to participate, the notice must be in the appropriate language(s) and provision should be made for interpreters at the hearing. Public notices always must contain the following information:

- The time and place of the hearing;
- The availability of a public information file about the CDBG program; and
- An invitation to submit written comments and guidance on where to send such comments.

RECORDKEEPING

The applicant/grantee must keep a record of all public hearings. The record should contain copies of the Public Notices, minutes of the hearings documenting that the contents of the Notice were discussed at the hearing, and a list of attendees. Attendees are not required to sign a sign-in sheet, but the file should show that a list was made available for sign-in at the start of the hearing. If attendees were present but did not sign or if no one attended, the file must so indicate.

DECISIONS REGARDING APPLICATION CONTENTS/GRIEVANCES AND COMPLAINTS

The local governing body has the sole discretion of deciding the contents of an application for funding. Any allegations made by any resident of the community that the procedural or legal requirements of the program are being violated must be thoroughly investigated. Any written complaints and grievances must receive a written response within 15 days where practicable.

Sample Notice of Public Hearing for Discussion of Possible CDBG Applications

NOTICE IS HEREBY GIVEN that a public hearing will be held on **(Date)** at **(Time)** p.m., at the **(City/County), (Address)**, in order to discuss possible applications for funding under the Fiscal Year 2008/09 State Community Development Block Grant (CDBG) Program and to solicit citizen input on possible activities to be included in these applications.

The General and Economic Development Components of the State CDBG program publish Notices of Funding Availability (NOFAs) each program year (July 1 to June 30). Eligible cities and counties may submit applications for CDBG funds under these NOFAs. Typically, up to \$500,000 is available under the General Allocation NOFA each year. Up to \$500,000 is available under the Economic Development Enterprise Allocation each year. Also, the Economic Development Over-the-Counter Allocation can award up to \$2,500,000 per year. Each year Planning and Technical Assistance Grants up to \$70,000 under the General Component and \$70,000 from the Economic Development Component are awarded on a first come, first served basis. The state also issues two NOFAs each year under the Native American and Colonia's Allocations. The Native American Allocation is only for areas where concentrations of low income Native Americans live, who are not part of a federally recognized Indian tribe or rancheria. The Colonia's funding is only for designated communities within 150 miles of the Mexican American border.

Eligible activities under the above Allocations and NOFAs consist of: Housing-new construction projects; housing acquisition and housing rehabilitation programs; community facility and public work projects; public service programs and planning studies. Economic development programs and projects are also eligible along with planning activities. Eligible activities paid for with State CDBG funds must meet one or more of the three National Objectives listed in CDBG Federal Statutes as follows: benefit to low income households or persons (also called Target Income Group (TIG)); elimination of slums and blight; or meeting urgent community development need (a need resulting from a State or Federally declared disaster).

The **(City/County)** of **(name)** anticipates submitting applications under one or more of the State CDBG NOFAs published during the 2008/09 program year. Applications are anticipated under the General and Economic Development Components as well as the Planning and Technical Assistance Components. A separate public hearing will be held to discuss and approve each proposed application prior to submittal to the state.

The purpose of this public hearing will be to give citizens an opportunity to make their comments known regarding what types of eligible activities the **(City/County)** should be applying for under the State CDBG program. If you are unable to attend the public hearing, you may direct written comments to **(Contact Name)** at the **(City/County), (Address)**, or you may telephone **(000) 000-0000**. In addition, information is available for review at the above address between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

The **(City/County)** of **(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.

(rev.4/07)