

2023 CDBG APPLICATION HANDBOOK



Nevada Governor's Office of
ECONOMIC DEVELOPMENT

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PROGRAM SUMMARY

PROGRAM: Community Development Block Grant Program

FEDERAL RESOURCE: U.S. Department of Housing & Urban Development

STATE ADMINISTRATOR: Governor's Office of Economic Development
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ELIGIBLE RECIPIENTS: 15 Non- Metro Counties; 12 Rural Incorporated Cities & Carson City City/County

PROGRAM YEAR: July 1st, 2022-June 30, 2023

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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

SECTION I: OBJECTIVES AND PURPOSE

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

- i. expanding economic opportunities principally for persons of low and moderate income,
- ii. suitable living environments, and
- iii. decent housing.

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

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

SECTION II: FEDERAL & STATE GOALS

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

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

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

In addition, it is the State's goal to consider projects addressing:

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

Since 2011, the Nevada CDBG Program has been administered by the Governor's Office of Economic Development (GOED); the focus has been to align program goals more closely with the goals of GOED. In doing so, the program awards fewer but larger grants that have a greater economic development impact for a community or region.

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

The 2020-2024 Consolidated Plan and Strategic Plan, an Analysis of Impediments to Fair Housing Choice, and the 2020 Annual Action Plan were developed August through December of 2019 and have been continuing in 2020. The plans were due to HUD by May 15, 2020. However, because of the COVID-19 pandemic, additional funding was received, and the due date has been extended to August 16, 2021.

The 2022 CDBG Annual Action Plan is a component of the new Consolidated Plan: projects selected for funding for the 2022-2023 Program Year are included in an annual action plan. The Consolidated Plan covers program years 2020 through 2024 and provides a broad range of

goals that are priorities for CDBG, HOME, ESG, HTF and HOPWA during that time frame. The non-entitlement areas of rural Nevada apply these goals in varying degrees, as each applies to moderate-income residents to the city, county or region. The 2020-2024 Consolidated Plan serves as a guideline for the applications submitted for the 2023 CDBG grant application cycle.

Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The 2020-2024 Consolidated Plan goals for CDBG to address the needs of low- to moderate-income residents include:

HUD's objectives for its formula programs are to provide to provide decent housing, a suitable living environment, and economic opportunities for low-moderate income residents. The State of Nevada strives to accomplish these goals by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities. These objectives are further explained as follows:

- **Providing decent housing** means helping homeless persons obtain appropriate housing and assisting those at risk of homelessness; preserving the affordable housing stock; increasing availability of permanent housing that is affordable to low- and moderate-income persons without discrimination; and increasing the supply of supportive housing, making down payment and closing cost assistance available for low- and moderate-income persons;
- **Providing a suitable living environment** entails improving the safety and livability of neighborhoods; increasing access to quality facilities and services; and reducing the isolation of income groups within an area through integration of low-income housing opportunities.
- **Expanding economic opportunities** involves creating jobs that are accessible to low- and moderate-income persons; promoting long-term economic and social viability; and empowering low-income persons to achieve self-sufficiency.

In order to fulfill these objectives for housing, homeless, and community and economic development programs, the 2020-2024 Consolidated Plan establishes seven goals. In pursuing these goals, the State of Nevada has established priorities for the use of its resources. The priorities emphasize targeting of activities, leveraging other resources and public investments, and promoting community changing impact.

The Action Plan for fiscal year 2022 continues allocating the state's resources toward these priorities and achieving the goals set forth in the Consolidated Plan.

- I. Affordable Housing –
Improve access to the full spectrum of quality affordable housing for Nevadans in non-entitlement areas.

- a. Increase the supply of affordable housing opportunities through development of new housing units for rental or homeownership opportunities and preserve the long-term affordability of homes through rehabilitation of existing vacant or owner-occupied units.
- b. Provide direct housing assistance to assist potential buyers to purchase a home, rapidly house those who are homeless or prevent or divert homelessness or provide decent, affordable housing to persons living with HIV/AIDS.
- c. Provide housing services and support in the form of counseling – homebuyer or rental and case management services - to ensure persons are and remain stably housed.
- d. Expand housing and supportive services for people with disabilities

II. Community Stabilization & Development

Prevent and arrest the decline of Nevada neighborhoods and promote revitalization.

- a. Support targeted code enforcement
- b. Demolish vacant, blighted buildings
- c. Cleanup contaminated properties
- d. Support strategic acquisition and disposition activities
- e. Support development and maintenance of the affordable housing stock throughout Nevada.

III. Public Facility and Infrastructure

Acquisition, construction, installation, rehabilitation, or improvement of facilities to support safe, sustainable, resilient communities.

- a. Water/Sewer/Storm Systems
- b. Park, recreation, youth, senior facilities
- c. Streets and sidewalk improvements
- d. Health and safety facilities
- e. Increase access to broadband infrastructure

IV. Public Services

Provide public services to ensure all Nevadans have access to opportunities to improve their quality of life, including people who are homeless.

- a. Support public services to ensure low-income households and vulnerable populations have access to appropriate and needed resources.

V. Economic Development

Develop opportunities to improve the economic environment by creating or retaining business and employment opportunities for low income and diverse Nevadans

- a. Create and retain jobs
- b. Create and expand businesses

VI. Community Planning and Capacity Building

Encourage local and regional planning activity to facilitate understanding of current housing, community development, and resiliency needs and develop a plan for their sustainable future.

- a. Provide training and technical assistance to communities to build their capacity to address housing and community development need.
- b. Assist communities to identify achievable goals to further community needs.
- c. Align community goals with funding opportunities to meet those goals.

VII. Homelessness

- a. Provide Rapid Re-housing services & financial supports
- b. Homeless supports and prevention
- c. Support shelter operations
- d. Increase and maintain supply & access of affordable and supportive housing
- e. Outreach

Housing needs are the priority of the Nevada Housing Division (NHD) and HOME and HTF funding; needs for people who are homeless are the priority of the NHD's Emergency Supportive Grant (ESG); needs addressing community and economic development are the priority of the Community Development Block Grant (CDBG) program. The HOPWA program assists individuals living with AIDS/HIV with housing and services.

SECTION III: GENERAL INFORMATION

A. Criteria of Eligibility

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

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

It is the responsibility of the applicant to submit an application that is allowable under the law and that meets a National Objective. CDBG funds also mandate compliance with many other federal requirements. These requirements should be taken into consideration when developing the project's scope and budget. Applicants are **strongly encouraged** to work with CDBG staff members in developing an application that supports the goals of HUD and of GOED.

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

When submitting applications to GOED, applicants need to be aware that an environmental review (ER) must be submitted for all projects. If the proposed project is Exempt (ex: planning), or Categorically Excluded, Not Subject to, the ER must be submitted with the ZoomGrants application. If the proposed project requires a Categorically Excluded, Subject to or an Environmental Assessment, the applicant must detail the status of the ER when submitting the application. If funded, the ER must be submitted and approved by CDBG staff members before any funds can be obligated by the grantee. The due date for Environmental Assessments is September 30 of the program year. Considering the level of ER is a significant factor in determining if a proposal is Project Ready.

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

B. Definitions

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

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

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

Nevada Revised Statute Definitions:

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

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

Urgent Need: In the absence of substantial evidence to the contrary, an activity will be considered to address this standard if the applicant certifies that the activity is designed to alleviate existing conditions that **pose a serious and immediate threat to the health or welfare of the community**, which are of recent origin or that recently became urgent, that the applicant is **unable to finance the activity on its own, and other sources of funding are not available**. A condition will generally be considered of recent origin if it developed or became critical within 18 months preceding the certification by the applicant. Funding under this category does not can provide an interim solution until funding can be secured to resolve the issue.

C. Eligible Applicants

Applications will be accepted only from the following city and county governments designated in the table on the following page.

| CDBG ELIGIBLE ENTITIES CDBG Non-entitlement [2011-2015 ACS] | | | | |
|--|---------------|--------------------|----------------------|---------------|
| COUNTIES | LMI % | COUNTY SEAT | CITIES | LMI % |
| Churchill | 44.90% | Fallon | Caliente | 45.73% |
| Douglas | 37.65% | Minden | Carlin | 28.64% |
| Elko | 38.61% | Elko | Elko | 36.89% |
| Esmeralda | 55.07% | Goldfield | Ely | 44.81% |
| Eureka | 31.83% | Eureka | Fallon | 60.04% |
| Humboldt | 37.48% | Winnemucca | Fernley | 40.29% |
| Lander | 38.79% | Battle Mountain | Lovelock | 52.00% |
| Lincoln | 42.62% | Pioche | Wells | 56.20% |
| Lyon | 46.82% | Yerington | West Wendover | 70.70% |
| Mineral | 50.56% | Hawthorne | Winnemucca | 33.16% |
| Nye | 50.98% | Tonopah | Yerington | 50.87% |
| Pershing | 45.80% | Lovelock | | |
| Storey | 28.52% | Virginia City | | |
| Washoe | 41.28% | Reno* | | |
| White Pine | 39.82% | Ely | Carson City | 46.18% |

NOTE: Cities highlighted in red are LMI areas per the 2011-2015 ACS, the HUD-approved data to use. The census tract, block group, or survey area GIS map needs to be included for Eligibility.

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

D. Eligible Activities

Eligible activities are limited to those identified in Section 105 of Title I of the Housing and Community Development Act of 1974 as amended. If a local government has any questions regarding the eligibility of a project, it is recommended that CDBG staff be contacted prior to developing an application. While HUD has many eligible activities, GOED's CDBG program focuses on activities that further economic development in a community or region.

Primary program areas for the annual competitive CDBG program are Public Facilities & Infrastructure; Planning & Capacity Building; and Economic Development. Some examples of eligible activities are listed below.

Public Facilities/Infrastructure

- establish/upgrade water supply distribution systems
- upgrade sanitary sewers
- improve water treatment facilities
- flood control measures
- water/sewer feasibility studies
- improvement of streets & safety issues
- Façade improvements
- Downtown revitalization

Planning

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

Economic Development

- Job creation
- Job retention

E. National Objectives

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

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

F. Funding Levels

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

Funding Period: Funding recommendations for applications are generally made late March or early April. In recent years it has been later, as it is dependent on congressional and presidential approval of a federal budget. In 2021, the HUD allocation was received in late-February. Grant agreements between the state and HUD are generally not finalized until August or September. In 2019, the agreement was not finalized until late November.

Projects must be able to be implemented as soon as possible after the grant award, July 1st. The first draw request is due within nine months of grant award (March 31st). Planning grants are funded for a 12-month period; construction grants are funded for a 24-month period. Grants may be extended if not completed within the original funding period. Requests for extensions are submitted to the CDBG Program Administrator for review and approval by the Director of Rural Community & Economic Development.

Limitations on Grant Amount: There is neither a maximum limitation nor a minimum limitation on grant amounts. However, the annual allocation available from HUD to the State of Nevada has been about 3.2 to 3.4 million dollars for the past three years. The funding level for years prior to 2017, was 2.3 to 2.4 million. The higher figures reflect Carson City reverting to the state program in 2017 and some increases in funding.

An application requesting a majority of the funding would receive scrutiny and may not be recommended for funding if it is determined such an allocation would put other viable projects at risk of not being funded. Conversely, administration of a grant is time intensive. Smaller requests may not be recommended for funding if it appears the project will not have significant impact and/or not be project ready.

Public Service and Planning categories have limitations imposed by HUD. Public Service projects cannot exceed 15 percent of the annual allocation from HUD and are not priority projects for the State unless considered contributing to economic development; Planning and Administration cannot exceed 20 percent of the annual allocation from HUD. Planning grants must result in a project, preferable in the next grant cycle.

G. Joint Applications - Special Conditions

Eligible units of general local governments may submit a joint application requesting CDBG funds. It must address a common problem, the solution to which requires the mutual action of joint applicants. The application must include a written cooperative agreement outlining the

responsibilities and authorities of each party. This agreement must also authorize the primary contact person for administrative and monitoring purpose. It is important to note that both communities must count the joint application as one of two submitted.

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

H. Indian Tribes

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

I. Citizen Participation

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

It is essential the city/county conducts planning activities that involve citizen input when determining potential project requests from the CDBG program. The local government is required to encourage citizen participation, particularly by low- and moderate-income persons who reside in slum or blighted areas and areas in which CDBG funds are proposed to be used. This process should establish the areas and identify the activities that residents have determined are the most needed for the community.

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

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

Required Meetings:

First Public Meeting:

The first public meeting is an informational meeting that must be properly noticed and comply with the Nevada Open Meeting Law, NRS 241 as well as other noticing requirements. It is mandatory for the first meeting to be held in July, as the new grant year begins July 1st. Public meetings may be held in conjunction with a council or commission meeting. **Noticing of the first public meeting must be done two weeks prior to the meeting.**

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

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

During this meeting the presenter is responsible for the following:

- Presenting a summary of grant performance for all CDBG grants received since 1982 and ensuring that the summary is available for review by the public.
- Asking the public for additional project ideas for the upcoming program year;
- Aiding those interested in submitting an application but not familiar with the CDBG application process;
- Asking for public input on past or potential projects;
- Supplying a contact name and contact information for submitting project ideas;
- Informing the public of the next meeting at which potential projects (with estimated funding amounts and beneficiaries) will be discussed.
- Disseminating any additional information, the city/county government wishes to include.
- Providing a timeline for review of Project Eligibility and Application Due Dates.

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

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

One copy of the minutes of the informational meeting (first page of minutes and section discussing the CDBG program **only**) and a copy of the advertised public notice or the posted

notice must be sent with the application(s) to GOED. If a posted notice, locations where posted must be included on the notice.

Refer to the end of this guidebook for sample notices.

Second Public Meeting:

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

During this meeting the following items are discussed:

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

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

Third Public Meeting:

The third public meeting can be held at any time; it is recommended that it is done after the Project Eligibility. This is the meeting at which the council or commission will determine which projects will be approved to develop as project applications. As with meetings #1 and #2, meeting #3 must be properly noticed, giving a two-week notice.

At this meeting:

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

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

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

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

Community Development and Housing Needs Statement

In prior years, the applicant has been asked to create and submit a Community Development and Housing Needs Statement. However, units of general local government (UGLG) also may use the citizen participation process to obtain information regarding community development needs.

It is suggested that the local jurisdiction request ideas from the citizens at the first public meeting and use the suggestions as one component in planning present and future projects. The following steps should be taken to develop community development needs priorities:

- Through input from public meetings, surveys, or other sources, identify the needs of the community relating to community development and the **needs of low- and moderate-income persons**. (Note: This can be combined with the first meeting required for citizen participation).
- List the identified needs and the activities that should be undertaken to meet those needs. Please cite statistics when necessary and available.
- A citizen input summary may be completed by the grant author, CDBG contact, or a member of the commission or council. It is not necessary to retain a consultant to develop such a summary.

This summary can contribute to the narrative in the application that discusses how the need for the project was established. However, if the city/county has a recent (within the last five years) a master plan or other document (such as a CEDs) that prioritizes needs established through a community participation process, that document may be used to satisfy the Needs Statement. A separate Needs Statement is not required if community and regional planning studies and reports have been done using a rigorous public participation process. Applicants also must state, in the application, how the project meets priorities of the state's Consolidated Plan.

J. Grant Agreement

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

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

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

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

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

HUD defines an assessment as a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public facility improvement, such as streets, curbs and gutters. The amount of the fee represents the pro rata share of the capital costs of the public improvement levied against the benefiting properties. It is important to note that user fees and fees used to retire bonds do not apply to this requirement.

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

K. The Budget

The application requires detailed information about the project costs and the sources of funds that will be used in completing the project. The budget will be closely examined by staff and the Advisory Committee. Contingencies are not allowed by HUD and should not be shown as line items in the budget. While incorporating a contingency into the budget is wise, as from application to award time is a year, this line item needs to be assigned to the city/county/non-profit's budget.

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

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

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

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

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

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

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

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

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

L. Administrative Costs

Please note that while there are eligible costs, administration is infrequently awarded, as the HUD allocation has declined over the years and project funding is considered the priority. Grantees often use city/county administration as an in-kind contribution to the project. Any allowance for administrative costs will not be allowed after CDBG Policies & Procedures are revised in 2020.

M. The CDBG Advisory Committee

The CDBG Advisory Committee (AC) consists of eight members whose function is to review applications and recommend projects for funding to the Executive Director of the Governor's Office of Economic Development and the Governor.

When the member cannot attend an AC meeting, a substitute representative is chosen by the member in consultation with the chair of the AC. The substitute must be from the region that the absent member represents.

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

SECTION IV: SELECTION SYSTEM

A. Selection Process and Criteria

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

Each community that applies for funds will be allowed to make a presentation at the Advisory Committee meeting. Each community is permitted 15 minutes to present its project: five minutes of presentation time per application and ten minutes to respond to questions from the Advisory Committee per application. Communities not able to send a representative in-person to present to the AC may present via video.

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

B. Selection Considerations

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

National Objectives:

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

Performance:

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

Benefit to Low- and Moderate-Income Persons:

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

State Goal:

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

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

Please refer to the CDBG Application Rating System that follows in a later section for specific scoring. The funding decision of the Governor's Office of Economic Development and the Governor is final and considers the recommendations of the CDBG Advisory Committee. Applicants who wish to appeal a decision can submit a letter to the Deputy Director - North of the Governor's Office of Economic Development. The filing will be processed according to the program's grievance procedures.

C. Meeting National Objectives

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

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

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

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

1. Activities Benefiting Low- and Moderate-Income Persons

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

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

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

Limited Clientele Projects:

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

- A. Benefit a clientele or group who are generally presumed to be principally L/M income persons. The following groups are currently presumed by HUD to meet this criterion: Abused children, elderly persons (some restrictions), battered spouses, people who are

homeless, people who are handicapped, people who are illiterate; people who are living with AIDS, and people who are migrant farm workers; or

- B. Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the L/M limit; or,
- C. Have income eligibility requirements that limit the activity exclusively to L/M income persons; or,
- D. Be of such nature and location that it may be concluded that the activity's clientele will primarily be L/M income persons.

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

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

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

Area Benefit Projects:

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

To determine what areas are LMI, applicants are provided with HUD approved ACS or census data on income and population, calculated for the county's median family income. If economic and population conditions an area seem inaccurate, a special survey might be conducted by the jurisdiction to show that 51 percent of the proposed area is low-mod income.

2. Activities to Address Slum or Blight Conditions

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

Activities in a slum or blighted area must address one or more of the conditions that qualified the area as "slum" or "blighted". The applicant must delineate in its files the area boundaries

and the conditions of the area at the time of application. This documentation may include maps, photographs, and a narrative description of the area. A map and a written description of the delineated area should be included with the application. The written description should identify which portions of the NRS definition apply to the target area. The governing body of the unit of local government should pass a resolution delineating the slum or blight area in accordance with Nevada Revised Statutes definitions.

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

3. Activities to Address Urgent Needs

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

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

4. Rating System

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

Question 1

Project Needs Analysis: [10 points] The applicant identifies the problem and how it is currently being addressed. The application details how the problem/need was determined and why the project is needed. Applicant provides a summary of the tangible and intangible community impacts.

Question 2

Proposed Project Activity: [10 points] The applicant addresses how the proposed activity resolves the problem/need. This section also addresses how the applicant will know the problem has been resolved or the need met, and the goal(s) of the project are complete.

Question 3

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

Question 4

Planning & Project Context: [10 points] The applicant provides details of how the proposed project is specifically or generally identified in a city, county, regional or state plan and how the project would contribute to that larger planning effort.

Question 5

Long-term Planning & Asset Management: [10 points] The applicant also shows how the proposed project promotes long-term proactive planning in the project category. about how the proposed project contributes to the goals, objectives, and activities of the current Consolidated Plan and/or other long-term planning.

Question 6 & 7

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

Question 8

Internal Funding: [10 points] The applicant addresses efforts to fund the proposed project from internal sources.

Question 9

Alternative/External Funding: [10 points] The applicant addresses efforts to fund the proposed project from alternative and/or external funding sources. While not a requirement of HUD, match funds are viewed as a commitment to the project.

Question 10

Economic Development Impact: [10 points] In a continuation of the Planning & Project Context section, the applicant describes how the proposed project contributes to the area's Regional Redevelopment Authority's (RDA) planning goals and indicators. The applicant details the efforts of private investment, local government and the community in funding the proposed project.

Additional detail on private funding may be included in this section. The applicant also provides research based post-grant impacts to the community on employment, tax increment increases, per capita income, and number of businesses impacted.

Project Budget Tab

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

Project Implementation Tab

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

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

Other Considerations:

Factors other than rating are involved in making funding recommendations. The project's rating is the starting point for the CDBG Advisory Committee to begin the discussion on funding allocations. Other primary factors taken are taken into consideration by the AC in recommending projects for funding. Other factors that may be considered during deliberation are:

- If an application with a high rating requests a large proportion of funds available, the AC may take that into consideration and recommend other lower rated applications for funding in the interest of better use of funds.
- Additionally, phasing of larger projects, where practical, into freestanding segments is strongly encouraged to allow the AC to recommend partial funding for projects that might otherwise be non-fundable as a whole. In those cases, projects are partially funded allowing phased implementation with a reduced Scope of Work. In past years, these applications have been funded in their entirety. However, as HUD's allocation have decreased over the past decade, it has not always been possible to fully fund projects with CDBG funding only. Multi-year projects may receive additional consideration when ranking in an effort to "do no harm" to these larger projects. In that effort, projects that receive a lower rating may be funded over projects with a higher rating.

- Project readiness is an important factor taken into consideration. The AC will pay particular attention to the starting and completion dates for projects, so funds are not allocated to a project unable to start for nine to 12 months or more. A grantee must be able to make a first draw down of funds within nine months of grant award (March 31st). Exceptions may be granted on a case-by-case basis.
- The AC may consider the community's demonstrated efforts to seek other sources of funding for the project. If a community has not explored, secured, or exhausted resources available at the local or state level to fund the project, the AC may choose to not recommend the project for funding. Examples of these resources include, but are not limited to, a local user fee, room tax, a local gas tax or setting up a general or special assessment district.
- Past performance on CDBG projects is also a consideration. If a community has not made progress on prior year grants, the committee may take this into account when considering whether the community will be able to effectively administer an additional grant. The capacity of the community to administer additional grants and the extent to which the community has received assistance from the State's CDBG program may also be taken into consideration in funding recommendations.
- Proposals must demonstrably address the primary objective of the Act as well as one of the three broad national objectives set out in the federal act passed by Congress. In accordance with federal law, the AC strives to meet or exceed the requirement that 70 percent of the State's CDBG funds for any three-year period must be allocated to projects that benefit LMI persons. The current three-year reporting period is 2018-2020.

APPENDICES

NOTICE #1

NOTICE OF PUBLIC HEARING FOR DISCUSSION OF POSSIBLE STATE CDBG APPLICATION

NOTICE IS HEREBY GIVEN that the (jurisdiction) will conduct a public hearing on (date) at (time) at (place) in order to discuss possible applications for funding under the next fiscal year's (July 1, 2023 to June 30, 2024) State Community Development Block Grant (CDBG) Program and to solicit citizen input on possible activities to be included in the application. It is estimated that approximately \$3,000,000 will be available in total.

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

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

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

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

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

NOTICE #2

NOTICE OF PUBLIC HEARING FOR DISCUSSION OF POSSIBLE STATE CDBG APPLICATION

NOTICE IS HEREBY GIVEN that the (jurisdiction) will conduct a public hearing on (date) at (time) at (place) in order to discuss potential applications for funding under the next fiscal year's (July 1, 2023 to June 30, 2024) State Community Development Block Grant (CDBG) Program and to solicit additional citizen input on possible activities to be included in an application.

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

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

[PROJECT LISTING]

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

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

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

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

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

NOTICE #3

NOTICE OF PUBLIC HEARING FOR DISCUSSION OF POSSIBLE STATE CDBG APPLICATION

NOTICE IS HEREBY GIVEN that the (jurisdiction) will conduct a public hearing on (date) at (time) at (place) in order to discuss comments received on potential applications for funding under the next fiscal year's (July 1, 2023 to June 30, 2024) State Community Development Block Grant (CDBG) Program and to select and rank projects to move forward with a full application to be submitted to the State CDBG Program.

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

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

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

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

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