



Economic & Community Redevelopment

CDBG-Redevelopment Fund Program
(RDF)
Application Manual 2015



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OVERVIEW

INTRODUCTION

This manual applies to Community Development Block Grant (CDBG)-eligible activities funded under the Economic Development (ED) Set-aside. Funding under this special set-aside is limited to certain activities that are eligible under the Housing and Community Development Act of 1974, as amended and the HUD implementing regulations applicable to the State CDBG Program. Eligible activities must qualify for funding under the National Objective of preventing or eliminating slums and blight in a clearly delineated geographic area (*Area Slums and Blight*) or for a seriously substandard structure (*Spot Slums and Blight*). Typical activities funded under this set-aside deliver significant low-and moderate-income benefit to residents of Georgia and include eligible Economic Development Activities identified under the following categories: Acquisition, Public Facilities and Improvements, Commercial and Industrial Facilities and Assistance to Private For-Profit Entities.

Local governments may use RDF financing to leverage investments in retail, industrial, commercial, or mixed-used projects, which aid in the prevention or elimination of slums or blight and help create economic opportunities. Participating municipalities may also use RDF funds to improve public facilities in order to eliminate conditions of blight, physical decay, or environmental contamination in an area or in specific instances of blight.

According to 24 CFR Section 570.483, every CDBG Award must address at least one of the following objectives through the activities undertaken by the project:

- *Benefit to low-and moderate-income persons; or,*
- *Prevention or elimination of slums or blight; or*
- *Urgent Need, which is meeting other community development needs having a particular urgency because of existing conditions that pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs.*

The RDF Program uses CDBG funds to benefit low-and moderate-income persons through the prevention or elimination of neighborhood blight and to alleviate serious and immediate threats to the health and welfare of community residents. If an eligible activity is not documented in the application as meeting the CDBG National Objective, Prevention/Elimination of Slums or Blight, then the activity will be deemed ineligible and the jurisdiction will be ineligible for funding of that activity. As such, the application must clearly document how the CDBG National Objective will be met.

The RDF program is designed to help finance acquisition and real property improvement projects aimed to meet the Slums/Blight National Objective. However, in an effort to provide through the State CDBG program an overall benefit primarily to persons of low-and moderate-income, each RDF activity (real property improvement and acquisition activity) must also significantly benefit low- and moderate-income persons. The criterion used to consider how an activity funded under the RDF Program may also benefit low- and moderate income (LMI) persons is divided into the following subcategories:

INTRODUCTION, Continued

- For projects that will create or retain permanent jobs, at least 51 percent of those jobs must benefit LMI persons.
- For activities that will be used for direct housing, 100 percent of the housing units must be occupied by LMI persons.
- For public facility activities benefiting residents in a particular service area, 70 percent of the people benefitting from the use of the facility must be LMI persons.

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GENERAL ELIGIBILITY

Any CDBG-RDF funded activity must comply with a National Objective and an Eligible CDBG Assisted Activity as detailed below.

A. “Elimination of Slum and Blight” National Objective

The following criteria should be used to determine whether a CDBG assisted activity complies with the Elimination of Slum and Blight National Objective in accordance with 24 CFR Part 570.483:

- a. Address Slums or Blight on an Area Basis (“Area Blight”). An activity will be considered to address prevention or elimination of slums or blight in an area if:
 - i. The area, delineated by the recipient, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;
 - ii. The area also meets the conditions in either paragraph (1) or (2) below:
 - 1) At least 25 percent of properties throughout the area experience one or more of the following conditions:
 - Physical deterioration of buildings or improvements;
 - Abandonment of properties;
 - Chronic high vacancy rates in commercial or industrial buildings; or
 - Known or suspected environmental contamination.
 - 2) The public improvements throughout the area are in a general state of deterioration;
 - iii. Documentation is to be maintained by the recipient on the boundaries of the area and the conditions and standards used that qualified the area at the time of its designation. The recipient shall maintain records to substantiate how the area met the slums or blighted criteria; and
 - iv. The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area.
- b. Address Slums or Blight on a Spot Basis (“Spot Blight”). The following activities may be undertaken on a spot basis to eliminate specific conditions of blight, physical decay, or environmental contamination that are not located in a slum or blighted area; 1) acquisition; 2) clearance; 3) relocation; 4) historic preservation; or 5) rehabilitation of buildings or improvements. However, rehabilitation must be limited to eliminating those conditions that are detrimental to public health and safety. If acquisition or relocation is undertaken, it must be a precursor to another eligible activity (funded with CDBG or other resources) that directly eliminates the specific conditions of blight or physical decay, or environmental contamination.

Activities meeting one or more of the criteria listed in (a) or (b) above, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight.

Note: The key to understanding the difference between the two Slum Blight categories (Area vs Spot Basis) is to make the distinction in the terms used to define each category. The area basis category covers activities that “**aid in**” or “**address**” identified conditions that contributed to the slum or blight IN a designated area. While the spot basis category covers activities that “**directly eliminate**” specific conditions of blight, physical decay, and environmental contamination and ARE NOT located in a slum or blighted area.

GENERAL ELIGIBILITY, Continued

B. Eligible Activities

Determining under which category of eligible activities an activity falls is very important. The *category of eligibility* will dictate the *costs that are eligible*, the *national objective* under which the activity falls, and the applicable CDBG *rules that are triggered*. Applicants to the RDF Program are strongly encouraged to consult with their Field Representative so as to be sure the project will be in compliance with the Slums/Blight (“S/B”) criteria.

Once your project has been found eligible under the program criteria, the application will be considered for funding as part of the normal competitive review process and evaluated against other Selection Criteria applied to all RDF Grant applications.

C. Ineligible Activities

1. Construction of buildings for the general conduct of government, (e.g., city hall).
2. General government expenses.
3. Political activities.
4. New housing construction, except by eligible organizations under certain conditions (See Housing and Community Development Act Section 105 (a) (15)).
5. Income payments.
6. Operating and maintenance expenses.
7. Any form of direct grant assistance to a business or industry (for-profit entity).

D. Eligible Applicants

Eligible applicants include units of general-purpose local government (cities or counties) that do not participate in HUD’s CDBG Entitlement or Urban County program. In other words, if you receive funding via an established formula directly from HUD, then you are not eligible for RDF funding.

To be eligible as a sub-recipient of RDF funding, neither the business nor principal(s) should appear on the Georgia Department of Revenue’s delinquent tax list.

Being a receipt of an annual competition CDBG grant, Employment Incentive Program grant or Immediate Threat and Danger Grant does not disqualify an applicant for a Redevelopment Fund grant. Recipients of prior CDBG funding must resolve all outstanding audit, and/or monitoring (compliance) findings prior to an application for a Redevelopment Grant. Sanctions applied under any of the other CDBG grant programs will also apply to this program.

E. Ineligible Applicants

Note that the entities below receive their CDBG funding directly from HUD and are therefore, not eligible to participate in the RDF program.

- The cities of Albany, Atlanta, Brunswick, Dalton, Gainesville, Hinesville, Johns Creek City, Macon, Marietta, Rome, Roswell, Sandy Springs City, Savannah, Smyrna City, Valdosta, and Warner Robbins.
- The counties of Cherokee, Clayton, Cobb, DeKalb, Fulton, Gwinnett, and Henry.

GENERAL ELIGIBILITY, Continued

- Any incorporated city within a HUD Entitlement Urban County that has chosen to participate with the Urban County through a Cooperating Agreement.
- The consolidated governments of Athens/Clarke County, Augusta/Richmond County, and Columbus Consolidated Government.

F. Minimum Benefit to Low-and Moderate Income Persons

In an effort to provide through the State CDBG program an overall benefit primarily to persons of low-and moderate-income, each CDBG activity must meet minimum low- and moderate-income threshold requirements. The criteria used to consider how an activity funded under the RDF Program may benefit low- and moderate income persons are divided into the following subcategories:

- Housing projects the minimum benefit to low- and moderate-income persons is 100 percent;
- Public facilities and improvement projects the minimum benefit to low- and moderate-income persons is 70 percent;
- Projects that will result in the creation or retention of jobs (economic development projects) at least 51 percent of the people who would benefit from the CDBG activity are low- and moderate-income persons.

G. Definition of Low- and Moderate-Income Person

A low- and moderate-income person is defined as a member of a family having a combined gross family income (i.e., the full amount of gross income, before deductions, of all family members residing in the household) equal to or less than the Section 8 Housing Assistance Program “lower income limit” established by the U.S. Department of Housing and Urban Development (HUD). Unrelated individuals are considered as separate families.

The Section 8 income guidelines are available for each county in Georgia and are based on 80 percent of the county’s median income or 80 percent of the statewide non-metropolitan median income, whichever is greater, with adjustments for family size. Income guidelines are published each spring and distributed by HUD. To obtain the income limit guidelines for your county, or visit the HUD web site at:

http://www.huduser.org/portal/datasets/il/il15/FY2015_IL_ga.pdf

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APPLICATION PROCESS

Before You Submit Your RDF Application

All potential RDF applicants, grant writers, engineers, architects, and other interested parties should be aware the following items in the RDF Application Manual serve as a supplement to the Community Development Block Grant (CDBG) Applicant's Manual published by the Georgia Department of Community Affairs. For more clarification on the items referenced in this Manual as well as other general policies which apply to CDBG economic development projects, please refer to the most current CDBG Applicant's Manual. The most current CDBG Applicant's Manual can be found on DCA's website at: <http://www.dca.ga.gov/communities/CDBG/programs/CDBGRegular.asp#appmanuals>

A. Funding Availability

The maximum award under this program is \$500,000. DCA sets aside \$1,500,000 or three percent (3%), whichever is greater, from each fiscal year's allocation to the DCA for the CDBG-RDF Program.

B. Matching Requirements

Although there is no match requirement, in order to receive bonus points consideration, there should be at least one dollar in other funds committed for each dollar in Redevelopment Funds requested.

C. Project Proposal Meeting

DCA prefers that applicants complete an "Initial Project Assessment" or (IPA) prior to submitting an application. This process was developed in order to engage communities considering Redevelopment Fund assistance as early as possible to help determine if your project meets the intent of the program and to confirm project activities are eligible for Redevelopment Fund financing. This process will also allow applicants and DCA to assess the potential competitiveness of a proposed project prior to developing a full application. Potential applicants wishing to participate in the RDF program should contact a DCA Economic Development Field Representative or the Program Manager for an IPA visit.

Because some projects, most often business finance, retention and expansion projects rather than redevelopment projects, run on schedules that are time-sensitive, CDBG and DCA regulations allow potential applicants to request "pre-agreement cost approval" (PACA) from DCA that authorizes the potential applicant and beneficiary business to commence project activities and maintain project timetables while applying for RDF assistance. Upon submittal of an IPA, DCA will consider PACA which allows a project to move forward prior to submission of an application or receipt of a grant award. Eligible activity related costs borne prior to the submission of an application but after an approved PACA will be included in the funding consideration if awarded. Applicants will generally have ninety (90) days from the date of DCA's PACA letter to submit a RDF application.

DCA strongly recommends that potential applicants contact DCA (through our Office of Economic Development in Atlanta or your OED Regional Representative) to schedule an IPA meeting prior to submitting a formal Redevelopment Fund application. An IPA may be submitted at any time, but must be in the format included with this application package.

APPLICATION PROCESS

The local government must hold a public hearing prior to submitting a formal application. This hearing must be in compliance with the State's citizens participation requirements that are described in detail in the General Program Requirements section of this manual. **Please Note: The Redevelopment Fund's rating and selection system will give preference to downtown and industrial redevelopment/ revitalization projects.**

D. Application Submittal

Applicants that meet the eligibility requirements and the general intent of the RDF program may submit a formal application. Formal applications must be submitted in adherence to the format and applicable instructions as specified in this application Manual. To be considered complete, an application must contain all the appropriate elements listed on the Redevelopment Fund Completeness Checklist, and must contain original signatures of the applicant's certifying officials on the Application Summary (DCA-1), the Certified Assurances (DCA-10), and the CDBG Disclosure Report (DCA-13). DCA staff will review applications received for completeness. If an application is incomplete, we will contact the applicant in writing normally within ten (10) business days to request the additional document(s) and information required to review and rate the application. If the application is considered complete as submitted, the applicant will be notified in writing as well within approximately ten (10) business days. No further review of an incomplete application will take place until all requested information is supplied.

Upon passing the completeness process, each application is reviewed according to the "Application Evaluation and Review" procedure" described in this manual.

The Department may schedule a visit with the applicant and to the proposed project site during the application review process to verify information contained in the application.

Application Submission Deadline

Local governments may submit applications at any time as long as funds are available. Please mail an original and five (5) copies to:

Georgia Department of Community Affairs
Office of Economic Development
Attention: Redevelopment Fund Program
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231

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APPLICATION PROCESS, Continued

E. Special Requirements for Joint Applications

Applications may be submitted individually by one unit of general-purpose local government, or jointly by two (2) or more units of general-purpose local government. Generally, joint applications are **necessary** when the project beneficiaries are not located within a single jurisdiction. Please consult DCA on questions concerning joint applications. Joint applications must include:

1. A copy of the Cooperating Agreement entered into by the cooperating units of government. This agreement should designate the unit of government that will serve as the lead applicant. A sample cooperating agreement is included as Form DCA-11 of this Manual.
2. Separate “Certified Assurances” (Form DCA-10) for each jurisdiction.
3. Evidence of separate public hearings for each jurisdiction. A single public hearing, however, may serve the needs of each jurisdiction, provided that (a) each jurisdiction shares a central location and (b) the hearing is clearly publicized by both (or jointly publicized by each) jurisdictions. If a single hearing is proposed, please contact DCA for guidance. For further information, please refer to “Citizens Participation Requirements” further outlined in this Manual.

F. For Further Information

We encourage potential applicants to contact us to discuss their projects. You may contact:

Staci Tillman, Program Manager, Office of Economic Development
at (404) 679-0668 or by email: staci.tillman@dca.ga.gov; or

Brock Smith, Manager, Office of Economic Development at (404) 679-1744
or by email: brock.smith@dca.ga.gov; or

Department of Community Affairs Community Services Field Representatives.

Please contact the Department for the name of the Representative assigned to each eligible jurisdiction.

Persons with hearing or speech impairments may access any number listed above through TTY by calling the Georgia Relay Service at 1-800-255-0056 or by dialing 7-1-1.

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INSTRUCTIONS FOR COMPLETING APPLICATION FORMS

Note that all required forms are available at the DCA web site:

<http://www.dca.ga.gov/communities/downtowndevelopment/programs/redevfund.asp>

A. Form DCA-1: Application Summary

Please complete DCA 1 in the following manner:

- **Items 1 - 6:** Enter name of applicant, official mailing address, DUNS number, census tract(s) and block group(s), project address, e-mail, and telephone number and area code of the city or county who is making the application. Enter the State House and Senate District(s) of the locality.
- **Item 7 - 10:** Enter name, job title, agency, mailing address, e-mail, and telephone number and area code of the grant writer/contact person regarding the application. This person may be contacted during the review process to answer direct questions or to provide additional information regarding the application.
- **Items 11 - 14:** Enter the name of the proposed subrecipient business of the application. This business may be contacted during the review process to answer direct questions or to provide additional information regarding the application. *Identify the numbers of the Census Tract and Block Group in which the business is located or locating.*
- **Item 15:** Briefly title the program (e.g. "Slum and Blight Removal") and provide a brief description of project activities. Please include all activities and briefly quantify the described activities. A needs description is not necessary for this item. An example of a brief title and description might be:
 - ***Timbuktu High School Renovation Project-*** The City of Timbuktu requests \$480,000 in RDF funds to eliminate slum and blighting conditions and transition the old Timbuktu High School building to a new workforce development center. The project will support the creation of 5 new jobs at the facility. The City has committed to \$20,000 for cash and in-kind contributions for building permits, utility connections, audit and grant preparation. The RDF award in the amount of \$480,000 will be used for building renovations, architectural fees and grant administration of the old school building in downtown Timbuktu.
- **Items 16 - 19:** Please check the appropriate box.
- **Item 20:** An unscheduled visit to the project site will be conducted by DCA staff on all top-ranked applications that identify specific site(s) or targeted neighborhoods. Maps should be designed clearly and accurately so that the site visit team can locate the proposed target area, the existing conditions and all activities.
- **Items 21 & 22:** Enter the number of months that you anticipate implementation will require, together with beginning and ending dates for the program. A start date 30 days from the date of submission of the CDBG/RDF application may be used. **Note that CDBG/RDF program requirements expect completion of all projects within 24 months.**
- **Item 23:** Enter amount of CDBG/RDF funds requested. **This amount must match the amounts on forms DCA-7 and DCA-8.**
- **Item 24:** Check box to indicate application type.

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

- **Items 25 & 26:** Application must be executed by chief elected official or other person authorized by resolution to submit the application. **Attach resolution.**

B. Form DCA-2: Summary of Proposed Accomplishments

The purpose of this form is to provide a quantified summary of the accomplishments proposed by the applicant to be undertaken with CDBG/RDF funds. Note that a similar form will be used at project completion to collect data on actual accomplishments.

- **Header:** Indicate the name of the jurisdiction for which the application has been prepared. Check whether this is an Original Application form or an Amended form. Include date of amendment if applicable. DCA will write in the project number if funded. This number should be included on any amended forms.
- **Activity and Measure Columns:** The column labeled "Activity" is a list of various possible CDBG/RDF funded activities. The column labeled "Measure" is the corresponding units of measurement used to quantify proposed accomplishments.
- **Proposed Accomplishments Column:** Here the applicant must enter the actual data corresponding to each CDBG/RDF funded activity and the corresponding measure.
- **For example,** if an applicant proposes to request either a grant for public facilities or a loan to directly assist the business, the following entry would be made based on the business committing to create 100 new jobs and make a private investment of \$5,000,000 (see form DCA-2):

Activity	Measure	Accomplishments
Economic Development	# of Businesses Assisted	1
	# of Loans	1
	# of Jobs Created	100
	# of New Jobs for Low/Mod Persons	51
	# of Jobs Retained	
	# of Retained Jobs for Low/Mod Persons	
	Funds Leveraged - Private	\$5,000,000
	Funds Leveraged - Public	\$ 750,000

- **Note:** See instructions for DCA-6 for detailed information on counting persons to benefit.

C. Form DCA-3: Community-wide Needs Assessment

This form is no longer required.

D. Form DCA-4: Description of Needs to be Addressed

This form asks you to describe the target area's overall community development needs and the needs being addressed by your grant request. The next form, DCA-5, is where you describe how those needs will be addressed through the activities funded by the grant and through other local efforts. Please keep this distinction in mind when filling out these two forms.

- **Header:** Indicate the name of the jurisdiction for which the application has been prepared. Check

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

whether this is an Original Application form or an Amended form. Include date of amendment if applicable.

- For all applicants, describe the economic development needs which have been identified. In order to be competitive, all existing conditions of the proposed target area should be described including but not limited to: housing conditions, street, drainage, water system, sewer system, etc. Identified needs not met under the program (if any) should be explained.
- Items which should typically be included on this form include:
 - ✓ Community description (location of project, demographics, economic conditions, physical conditions, etc.)
 - ✓ Proposed business information (history, products, other locations/offices/facilities, etc.)
 - ✓ Brief justification of the work which will be described in DCA-5

E. Form DCA-5: Description of Activities

- **Header:** Indicate the name of the jurisdiction for which the application has been prepared. Check whether this is an Original Application form or an Amended form. Include date of amendment if applicable. DCA will write in the project number if funded. This number should be included on any amended forms.
- **Do not repeat information included on form DCA-4.** Describe in detail each activity, identifying each activity by name and number, to be undertaken with CDBG/RDF funds. This description should be specific and provide sufficient detail concerning the nature, scope, location and purpose of activities and how they are designed in accordance with applicable law, regulation and how they relate to each other. Ownership, operation and maintenance should also be addressed.
- Applicants are instructed to list administration as the last activity. No description is necessary for contingencies. Architectural design or engineering, and related activities should be considered as a component of each activity and not as a part of the program's administrative costs. Please refer to the description of eligible activities in the General Eligibility section of this Manual and/or contact DCA staff for further guidance.
- DCA will consider activity line item (not administrative) budget requests for “extraordinary compliance or administrative measures” when the applicant can demonstrate that administrative allowances are insufficient to adequately compensate for costs such as archeological surveys, archival photographs or other unforeseen costs of complying with the Programmatic Agreement on Historic Preservation, environmental impact statements, etc., or other compliance or administrative measures necessary due to a high number of complex and complicated cases relative to property that must be acquired in order for the project to proceed. DCA will consider such requests as outlined above on a case-by-case basis and may deny or amend the request. DCA recommends that such requests be discussed with DCA prior to application submission.
- Applicants should be aware that DCA may request reviewing comments from State, Federal and other agencies involved financially or with any other interest in the proposed project. Any comment with significant adverse impact upon project feasibility or strategy may reduce the score. Applicants may choose, therefore, to solicit reviewing agency comments at the outset, and, as necessary, incorporate reviewing comments into application narratives, engineering reports, etc., prior to application submission.
- Applicants are further advised to discuss the impact proposed activities will have upon the needs identified in DCA-4. Applicants are encouraged to address 100% of the needs identified in Form DCA-4.

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

- Applicants are encouraged to include information (including dates accomplished) related to some of the following items: procurement, public hearings, environmental compliance, Historic Preservation consultation, other financial assistance, right-of-way acquisition, general property acquisition and permits required/received.

NOTE: Applicants should also include a project implementation schedule with Form DCA-5.

The following example is included for guidance.

<u>Activity</u>	<u>Initiate</u>	<u>Completion date</u>
Architectural Procurement	Complete	Complete
RDF Award Announcement	October 2015	October 2015
Final Designs	November 2015	December 2015
Bid Project	January 2016	March 2016
Contract Award & Construction	March 2016	November 2016
Initiate & Complete Close-out	November 2016	December 2016

Conformance with the **Georgia Planning Act**: One of the review factors considered as a project strategy question is the conformance of the proposal with the locally adopted Comprehensive Plan, as approved by DCA. In order to demonstrate conformance, applicants should discuss on Form DCA-5 how the proposal conforms to the Plan, including citations or quotes from pertinent pages of the Plan.

In addition, state law requires that all projects funded demonstrate that the project is not inconsistent with the community's adopted **Service Delivery Strategy (O.C.G.A. §36-70-20)**. The appropriate citation of the Strategy along with any attachments and service area maps should be included in the application, along with a signed Certification that the project is not inconsistent with the Strategy. If the project is not covered by the adopted Strategy, a statement to that effect should be included in the Certification.

The "Local Governments Currently Ineligible" list in the DCA plan review portal can assist with application development related to local government and development authority compliance with state planning requirements (<http://www.dca.ga.gov/LocalGovStatus/planning.asp>).

Also, indicate the applicant's status with regard to Financial Survey, Solid Waste Plan, State Audit and any other reporting requirements to State and/or Federal Agencies.

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INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

F. Form DCA-6: Low/Moderate Income Benefit and Civil Rights Data Calculation

All RDF applications with Economic Development activities are required to have at least a 51% benefit to low- and moderate-income persons for each activity (administrative and contingency budgets are excluded). **The applicant may request median income levels adjusted for family size by SMSA and/or county from DCA.**

Each step of the calculation is described below. Applicants must use Form DCA-6 for display of the information.

- In column 1 list each CDBG funded activity number. Do not include administration or contingency. If the same activity will be implemented in different areas of the community, provide a separate line for each component (i.e., Area 1 and Area 2). See Note on Activity Numbering System preceding the forms, and the numbering scheme on DCA-7.
- In column 2 show the total number of persons that the activity will serve.
- In column 3 provide the total number of minorities who will be served by the activity. "Minority" is defined as any non-white (including Hispanic) person.
- In column 4 provide the total number of non-minority persons who will be served by the activity. A "non-minority" is defined as a white person. The sum of columns 3 and 4 should equal column 2.
- In column 5 show the number of low- and moderate-income persons that the activity will serve.
- In column 6, divide column 5 by column 2 to show the percent of low- and moderate-income persons that the activity will serve.
- In column 7 show the amount of CDBG-RDF funds requested for the activity.
- In column 8 multiply column 7 by column 6 to show the amount of the funds for the activity that will be used to benefit low- and moderate-income persons.
- At the bottom of column 7 show the total amount of funds requested by adding up the amounts for each activity.
- At the bottom of column 8 show the total amount of funds that will benefit low- and moderate-income persons by adding up the amount of funds to benefit low- and moderate-income persons for each activity.
- In box 9 determine the overall benefit to low- and moderate-income persons by dividing the total of column 8 by the total of column 7 and enter the percent in the "Total Benefit".
- Describe the methodology used to determine the number of minorities/ non-minorities and the number of low and moderate-income persons to be served by each activity. Attach additional sheets if needed and include a copy of any survey form used to determine benefit.

Applications may be considered ineligible for competition without a complete, appropriate and acceptable description of the method used.

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

Job Creation and Retention Methodology for RDFs

Requesting the newly hired employees to complete a certification form is the easiest method to obtain required income information. The form on the following page will provide sufficient documentation on a person's low/mod status to fulfill the RDF program's requirements.

Completion of the form must be voluntary and cannot be a pre-requisite of employment. In addition, to protect the privacy of the new employee, the forms must be kept separate from the job recipient's personnel file. The local government should also keep a copy of each form.

Contact your Community Services Field Representative if you have questions on how the certification form is to be completed or if you need the low/mod income thresholds for your county.

G. Form DCA-7: Budget Summary

- **Part A** of this form should include an assessment of CDBG/RDF funds budgeted for the project. Please review the Eligible Activities section in the General Eligibility section of this manual for guidance on budgeting within appropriate line items. It is also important that each activity budget on Form DCA-7 be consistent with activity and cost summaries outlined on forms DCA-5 (activities summary) and DCA-8 (budget analysis).
 - ✓ In column (d), enter the amount allocated for each type of activity being undertaken to deal with economic development need(s), if any.
 - ✓ In column (e), enter the sum of amounts shown in column (d) for each type of activity listed.
 - ✓ Please refer to the Eligible Activities section in the General Eligibility section for assistance in determining the eligibility of specific activities. Common economic development (or RDF) activities are shown. All regular round CDBG categories have been eliminated from this form.
 - ✓ General Administration (line 50) - Enter the eligible CDBG/RDF costs of general administration on line 50. **Do not include** Project Delivery Costs with administrative costs on line 50. These costs are to be included with line item costs for activities that are eligible for PDC's.
 - ✓ Contingencies may not exceed 10% of the grant amount shown in Part A, Line 52.
- **Part B** of this form is used to identify the total funds available (including in-kind contributions) to complete the program.
 - ✓ Line 1: Enter the CDBG/RDF grant requested from DCA.
 - ✓ Line 2: Enter the amount of program income expected to be received (if any) and applied to program activity costs. This would include any income received from previous CDBG projects that is not reserved, by DCA approved local policy, for economic development activities.
 - ✓ Line 3: Enter the amount of other Federal grants or loans, such as Rural Development or ARC funds which will be provided in support of the program. Provide documentation of commitment from the Federal agency whenever possible to enhance competitiveness and for calculation of the leverage score.

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

- ✓ Line 4: Enter the amount of local funds to be provided by the applicant (including required match amount) in support of the program. Provide documentation of commitment.
- ✓ Line 5: Enter the amount of other State funds to be provided in support of the program.

Provide documentation of commitment from the State agency whenever possible to enhance competitiveness and for calculation of the leverage score.
- ✓ Line 6: Enter and identify private lender contributions or commitments
- ✓ Line 7: Enter and identify other funds, such as private commitments in support of the program. Provide documentation of private commitment. If numerous financing sources are used, please attach a schedule which lists each individual source.

H. Form DCA-8: Budget Analysis

- **General Information**

- ✓ The purpose of this form is to allow applicants to describe, in detail, the resources available, or to be made available, for each activity. Applicants are encouraged to provide sufficient quantifiable data and to describe supporting efforts for the proposed program. Form DCA-8 should be backed-up by credible estimates of program cost prepared by individuals and agencies qualified to provide them.

- **Line item instructions**

- ✓ In **column 1**, list the activity name and number. See note on numbering system on page 46.
- ✓ In **column 2**, briefly itemize RDF funds allocated for each activity, consistent with Section A of the Budget Summary (Form DCA-7). **These brief summaries can reference additional detail that may be included in architectural or engineering reports and attached to Form DCA-8.** The applicant should separate RDF vs. non-RDF costs, and include the budget detail on an attached cost estimate. If cost estimates are included in reports included with the application, please duplicate the pages which include cost detail and attach them to this form.

Total engineering and architectural costs must be itemized here and shown in columns 3 through 6.

Sufficient detail should be provided in this column to support proposed engineering and inspection fees. Such data should include detail on proposed services, as well as estimated fees for design services, conferences, travel, resident and periodic inspections, tests, surveys, printing and reproduction, additional services, etc. Please refer to the *Grant Funding, Contract Processing and Activity Limits* Section of this manual that addresses Limitations on Administrative and Professional Fees.

Preliminary (pre-award) fees and project costs are not reimbursable. Also, **fees paid for the preparation of an application are not eligible reimbursement.**

- ✓ In **column 3** reference the RDF cost, if any, for each item shown in column 2. If the item in column 2 will not be paid for with RDF funds, indicate by placing a -0- in column 3.

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

- ✓ In **column 4** reference the [Reserved] cost, if any, for each item shown in column 2. If the item in column 2 will not be paid for with [Reserved] funds, indicate by placing a -0- in column 4.
- ✓ In **column 5a** show the amount of "other funds" (**non- RDF**) that will be used to pay for itemized costs. The source of these funds should be identified on **column 5b**
- ✓ For competitive reasons, applicants are encouraged to obtain credible estimates for all costs. Examples of "other funds" could be: a) local government, b) federal agency, c) private sector, d) program income or e) state agency.
- ✓ In **column 6**, enter the total amount of funds available to carry out the proposed activity. On each page of DCA-8 use **block 7a** to subtotal columns 4, 5 and 6. On the final page, use block 7b to total all pages.
- ✓ For an explanation of contributions or other actions in support of the project, please use block 8 (the space at the bottom of Form DCA-8). Be specific. Attach clear commitments from the appropriate agencies. Examples could be local government supplied site preparation, or other applicant in-kind efforts. Be sure to be specific in this description.

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INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

The following is an example of how Form DCA-8 may be completed:	<i>Redevelopment Fund Program Budget Analysis</i>			1. Applicant 2. <input type="checkbox"/> Original <input type="checkbox"/> Amendment
<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
<u>Name/Number</u>	<u>Itemized Unit Cost</u>	<u>CDBG Funds (Redevelopment)</u>	<u>Other Funds (Source)</u>	<u>Total Cost</u>
E-003-00 Public Facilities and Improvements (Job Creation)	\$253,138	\$253,138	-0-	\$253,138
S-003-00 Architecture-Public Facilities and Improvements	\$25,526	\$25,526	-0-	\$25,526
A-21A-00 General Program Administration	\$17,923	\$17,923	-0-	\$17,923
C-022-00 Contingencies	\$25,313	\$25,313	-0-	\$25,313-
Building Rehabilitation	\$298,700	-0-	\$298,700 (RLF)	\$298,700
Building Rehabilitation	\$2,778,000	-0-	\$2,778,000 (Technical College)	\$2,778,000
8. TOTAL ON LAST PAGE		\$321,900	\$3,076,700	\$3,398,600
1. Other Support Efforts				

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

I. Form DCA-9: Environmental Review Checklist

Note: *This form is self-explanatory.*

J. Form DCA-10: Certified Assurances

Note: *This form is self-explanatory. Be sure to attach a description of any possible conflict of interest situation and a copy of the resolution authorizing submittal of the application. **BE SURE THAT THE CHIEF ELECTED OFFICIAL THOROUGHLY REVIEWS THIS DOCUMENT BEFORE HE OR SHE SIGNS IT.***

K. Form DCA-11: Cooperating Agreement

Note: *This form is self-explanatory.*

L. Form DCA-12: Maps

Applicants must submit map(s) that are clearly legible and will enable DCA staff to find the proposed activity site(s) without local assistance during a site visit.

All map(s) must include a scale, north arrow and legend. More than one scale of map may be used to show detail, but all scale(s) must be indicated on the respective maps. A larger community-wide map should indicate the boundary of the area represented by more detailed maps. More than one type of requested information can be included on a map if it is clearly legible. A legend must be included to indicate what different colors or patterns represent. **In addition, applicants should provide complete source information for all data provided on their submitted maps.**

NOTE: *U.S.G.S. 7.5 minute topographic maps are an excellent resource to use for the larger community-wide maps.*

Maps must, at a minimum, include the following information:

- Project activity location(s). Show the locations of facilities proposed, together with the location(s) of facilities to be replaced. For centers, show existing and proposed locations;
- Project activity service area(s) for public facilities activities;
- For the applicant's jurisdiction, the location of areas of concentration of low- and moderate-income persons, including number and percentage of these persons, if available;
- For the applicant's jurisdiction, the location of areas of concentrations of minorities, including number and percentage, if available; and
- For the applicant's jurisdiction, the location of areas of concentration of substandard and deteriorated housing, including number and percentage, if available.

Note: In cases where low- and moderate-income persons, substandard housing units and/or minority people are dispersed throughout the community, indicate this on the map's legend; and 1) display the location of the proposed activity(s) and its service area; 2) indicate the numbers and percent of L/M income families, minorities and substandard housing located within the jurisdiction making application; and 3) provide the same data for the RDF service area(s).

In order for review panels to assess feasibility, strategy and compliance with floodplain and wetland requirements, applicants are encouraged to submit with their applications USGS topographic maps from

the 7.5 minute, 1:24,000-scale quadrangle series.

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

M. Form DCA-13: CDBG Disclosure Report

All applicants must complete and submit Parts I and II of the Disclosure Report. At the completion of Part II of the report, some applicants will find that they must complete Parts III, IV, V and VI of the Report.

Part I requires the applicant's name, address, phone number; indication as to whether this is an initial report or an update; the amount of CDBG/RDF funds being requested; the amount of any CDBG/RDF program income that will be used with the CDBG/RDF grant; and the total amount of CDBG/RDF assistance.

Part II asks two questions. If the answer to both questions is "no," the applicant must provide the certification at the end of Part II but is not required to complete the remainder of the report. If the answer to either question is "yes" then the applicant must complete the remainder of the Report.

Part III requires information on any other Federal, State and/or local assistance that is to be used in conjunction with the CDBG/RDF project.

Part IV requires the identification of interested parties. Interested parties are persons and entities with a reportable financial interest in the project. If an entity (such as a corporation, partnership, etc.) is being disclosed, the disclosure in Part IV must include an identification of each officer, director, principal stockholder or other official of the entity. Please indicate if the person or entity is a "sole proprietorship." All consultants, developers or contractors involved in the application for CDBG/RDF assistance, or in the planning, development or implementation of the project, must be identified as an interested party. **Also, any other person or entity that has a pecuniary interest in the project that exceeds \$50,000 or ten (10) percent of the CDBG/RDF assistance, whichever is lower, must be listed as an interested party.** Pecuniary interest means any financial involvement in the project, including (but not limited to) situations in which a person or entity has an equity interest in the project, shares in any profit on resale or any distribution of surplus cash or other assets of the project or receives compensation for any goods or services provided in connection with the project. (The following are not considered interested parties: local CDBG/RDF administrative staff, recipients of housing assistance, and rehabilitation contractors as long as the rehabilitation agreement is between the property owner and the contractor.)

Part V requires applicants to identify the sources and uses of all funds to be used in conjunction with the CDBG/RDF funded project. The sources and uses must include all the other assistance identified in Part III as well as the CDBG/RDF funds identified in Part I, items 3a, and 3b).

Part VI requires the certification of the Chief Elected Official.

N. Form: Civil Rights Compliance Certification

All applicants must complete the form and submit a signed certification with the application

O. Form: System for Award Management (SAM)

All applicants must ensure they have a current SAM account and submit the certification with the application. An applicant can check the status of their registration by going to the SAM website: <https://www.sam.gov/portal/SAM/>

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

P. Form: Supplemental Information

All applicants must complete and submit the Supplemental Information Worksheet.

Part I requires the applicant's name; the amount of CDBG/RDF funds being requested; and the total project cost, including CDBG/RDF funds.

Part II asks for more detailed information. Please complete Part II in the following manner:

- **Item 1:** Enter the total number of existing jobs. As it pertains to your project, enter the total number of jobs created, the total number of jobs retained, the number of jobs created for low/moderate income persons, the number of jobs retained for low/moderate income persons. The percentages and CDBG dollar per job information should automatically populate.

In the space provided, please describe the methodology for ensuring the number of jobs for low and moderate income persons. *If the project is located in a less developed Census Tract and/or Block Group, in accordance with 24 CFR570.483(B)(4), please indicate this information in this field.*

- **Item 2:** Enter the total number of unemployed persons and the percent of unemployed persons for the county where the jobs will be created/retained. Please indicate the source of the information.
In the space provided, please give a brief description of the impact on unemployment of the proposed project.
- **Items 3:** Enter the total amount of private investment, the ratio of private investment to CDBG/RDF funds, and the ratio of private investment to public funds (including CDBG/RDF). The private investment percentage should automatically calculate.

In the space provided, briefly indicate the sources of all private investment funds (i.e. bank loan, bond financing, company funds, etc.).

- **Item 4:** Enter the amount of other public investment for the project. The percentage of public investment should automatically calculate.

In the space provided, briefly list the sources of other public investment (i.e. USDA, OneGeorgia, EDA, Development Authority, etc.).

- **Items 5:** Enter the estimated local, state, federal and any other taxes to be generated by the proposed project. *Data should reflect one year of estimated tax revenues.* Total taxes and taxes per CDBG dollar should automatically calculate.

In the space provided, briefly describe the methodology for calculating the estimated tax from each source.

- **Item 6:** Describe elements of the grant repayment as well as what entity will be responsible for the CDBG/RDF loan.
- **Items 7:** Indicate what party will be responsible for the oversight of any program income as well as any proposed use.

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

- **Item 8:** Indicates the need for all applications to be accompanied by letters of commitment from all funding sources public and private.

Q. Form: Source and Use –Public Facilities and Improvements

Please complete the Source and Use –Public Facilities and Improvements form in the following manner:

- **Project Activity:** Please list all funding activities for the proposed projects, excluding contingencies, grant administration and engineering (which have designated line items).
- **Funding Source:** Please enter the name of each funding source for the proposed project. The first column is designated for the proposed business beneficiary. The second column is for CDBG/RDF funds. The following columns are for all other public funding sources (i.e. USDA, EDA, City/County, Development Authority, etc.). If there are more than three local sources, the state/federal source boxes may be utilized and vice versa.
- **Source and Use Grid:** Enter the amount of funding each proposed source will be providing for the respective project activity. Totals should automatically calculate.
- Enter the amount of contingencies, grant administration and engineering cost for each funding source.
- **Summary Grid:** Enter the total amount provided by each funding category. The private investment and RDF values should automatically populate.
- **Notes:** provide any notes which may be necessary for the application review staff.

R. Form: Source and Use – Direct Loan

Please complete the Source and Use – Direct Loan form in the following manner:

- For each use of proceeds listed, please provide the source of funds, the total amount of funds provided, the number of years indicated in the terms for repayment, the interest rate, the monthly payment and the annual debt service value. Totals for financing sources will automatically calculate at the bottom of the page for all necessary values.

S. Form: Schedule of Existing Debt

Please complete the Schedule of Existing Debt form in the following manner:

- Please use this form to list, in detail, your business indebtedness. Complete each column for each creditor, i.e. bank loans, equipment loans, supplier or trade credit converted into loans, owner loans- all term debt or installment loans (short or long term). **Do Not Add Short Term Expenses Such As Accounts Payable Or Other Current Liabilities Such As Accruals, Taxes Due, Etc.** Please fill out this form as completely as possible.
- Attach additional sheets as necessary.

INSTRUCTIONS FOR COMPLETING APPLICATION FORMS, Continued

T. Note on Activity Numbering System

The activity number is used in this application on the Description of Activities (DCA-5), Low- and Moderate-Income Benefit and Civil Rights Data Calculation (DCA-6), the Budget Summary (DCA-7), and the Budget Analysis (DCA-8). In all instances, the activity should be referred to both by the activity number and activity name, as it appears on the Budget Summary (DCA-7).

The activity number system has two components:

1. The prefix indicates the purpose of the activity as follows:

A = Administration
C = Contingencies
E = Economic Development
H = Housing
P = Public Facility
T = Engineering
S = Architecture

2. The second component is the budget code. The codes can be found on the Budget Summary Form (DCA-7). Every code is comprised of three (3) alpha or numeric characters followed by a hyphen and then two (2) additional numeric characters. This code indicates the type of activity.

For example:

P-001-00 = Acquisition of Property for a Public Facility
E-17B-00 = Public Facilities and Improvements
E-18A-00 = Assistance to Private For-Profit Entities
A-21A-00 = Grant Administration for any CDBG/RDF project
C-022-00 = Contingencies for any CDBG/RDF project grants
T-17B-00 = Engineering fees for Public Facilities and Improvements
S-17B-00 = Architectural fees for Public Facilities and Improvements

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DCA-2 RDF	Summary of Proposed Accomplishments	DCA-2 RDF
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DCA-5 RDF	Description of Activities	DCA-5 RDF
DCA-6 RDF	Low- and Moderate-Income Benefit and Civil Rights Data Calculation	DCA-6 RDF
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System for Award Management (SAM) Certification Form		

FUNDING PARAMETERS AND GRANT IMPLEMENTATION

GRANT FUNDING, CONTRACT PROCESSING AND ACTIVITY LIMITS

A. Maximum Award and Annual Set-Aside Amounts

The maximum award under this program is \$500,000. Although there is no match requirement, in order to receive bonus points consideration, there should be at least one dollar in other funds committed for each dollar in Redevelopment Funds requested. The source of the leveraged funds can be from local, state, or federal government or private sources. DCA sets aside \$1,500,000 or three percent (3%), whichever is greater, from DCA's federal fiscal year's allocation of CDBG Program funds for the RDF Program.

B. Cost Limitations

Administrative and closing costs paid with Redevelopment Funds shall be limited to six percent (6%) of the award amount. The six percent (6%) administrative cost limitation is applicable whether costs are paid directly to the recipient or financed as a portion of a RDF sub-recipient loan.

Architectural and Engineering costs paid with Redevelopment Funds shall be limited to ten percent (10%) and twelve percent (12%), respectively, of the RDF construction activity amount. The limits for engineering and architectural services are based on a pro-rata share of construction costs paid for with CDBG-RDF funds.

C. Grant Contract Processing

All funded applications will be processed through a Standard Agreement ("Agreement"). The Agreement will contain information about the terms and General Conditions, as well Special Conditions (activity specific) of the award.

D. Procurement for Application Development and other Professional Services

CDBG-RDF payments for professional services are subject to the "competitive negotiation" requirements of 24 CFR Part 85 (Common Administrative Rule). These provisions apply, typically, to contracts with private consultants, engineers and architects, and are not necessary when contracting with Regional Commissions. Note, however, that RCs that wish to subcontract directly with private consultants must use the procedures in this section and follow the requirements of 24 CFR Part 85 before entering into subcontracts with private consultants. Alternatively, the local government may contract with both an RC and private consultant provided the requirements herein are followed for the procurement of the private consultant.

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GRANT FUNDING, CONTRACT PROCESSING AND ACTIVITY LIMITS, Continued

To comply, the applicant government (not the individual or firm proposing to provide services) must:

- Develop a Request for Proposal (RFP) that includes “evaluation factors” selected by the applicant and their level of importance. A Request for Qualifications (RFQ) is also acceptable for engineering or architectural services. Contact DCA for assistance.
- Publicize the RFP or RFQ. This is most often accomplished by publishing it in the applicant’s “legal organ”. Allow 30 days for responses. The publication must state this is a Section 3 contract opportunity.
- Send a letter with copy of the RFP or RFQ to a number of “known providers”. When soliciting firms to develop applications/administer projects, RFP’s should be sent to at least 7 known providers. When soliciting engineering/architectural services, the RFP or RFQ should be sent to at least 10 known providers. As a service to applicants, recipients and others, DCA maintains a list of professionals who have expressed an interest in making proposals on CDBG projects. This is not an “approved” list. DCA does not approve or disapprove professionals. This is the applicant’s or recipient’s responsibility.
- Negotiate with (preferably with at least 2) respondents to the RFP or RFQ.
- Prepare documentation that evaluates proposals and establishes reasons (based on criteria in RFP or RFQ) for contract recommendations.
- Consult city or county attorney with above recommendations and proposed contract.
- Based upon established reasons and attorney’s recommendation, obtain full council/commission approval and execute contract. Letter(s) thanking unsuccessful respondents for making a proposal should then be sent. Based on evaluation criteria contained in the RFP/RFQ, this letter should state reasons why the respondent was not hired.

Because CDBG-RDF funds cannot be used to pay application development costs, applicants may (or may not, at their discretion) use this procurement process to select professionals for the preparation of an application. Applicants are cautioned, however, only to obligate CDBG-RDF funds after a grant is awarded. Initial contracts should only obligate the applicant to compensate for costs of application development. **(Note:** this cost is not eligible for reimbursement under the CDBG-RDF Program). If the professional is selected to prepare the application and provide additional services upon award, then the procurement process described above must be utilized. **Note:** Pre-Funding procurement requires Section 3 compliance.

If an acceptable procurement process was followed within the last two years for an application that is being resubmitted because it was denied within the past year, it is not necessary for the local government to re-advertise for professional services if they choose to retain the same firm for the same application. (Please note, however, that should the procurement process not have included the applicable Section 3 compliance requirements, then a new advertisement and solicitation of RFP/RFQs is required. If the procurement is more than two years old, a new advertisement and solicitation of RFP/RFQs is required.

For procurement processes that result in requests for sole source approval from DCA, the procurement process must be fully documented to DCA’s satisfaction before DCA will

GRANT FUNDING, CONTRACT PROCESSING AND ACTIVITY LIMITS, Continued

grant approval, including but not limited to the following: 1) a description of the procurement process; 2) a tear sheet of the Request for Proposals; 3) a list of the active, qualified consultants or engineers/architects that were mailed the Request for Proposals; and 4) certified return receipt documentation that the Request for Proposals was mailed to the required number of active, qualified consultants or engineers/architects, or adequate email documentation that the Request for Proposals was delivered as required.

Special Provisions for RDF Capitalized Local Revolving Loan Funds (RLFs)

- 1) The Department may permit localities that have or will receive revenue (or “program income,” i.e., principal, interest or other payments) from RDF or other CDBG loans or leases to retain that revenue so long as it is used for an eligible CDBG/RDF activity and is also used in accordance with the requirements of this regulation and any other applicable federal, state, or local laws, regulation, contract, guidance manual or memoranda.
- 2) For localities that will retain program income, the Department will require that such revenue be deposited into a separate revolving loan fund (RLF) and used to carry out specific Title I eligible activities. The RLF must be created by a local resolution and implemented by local policies and procedures approved by the Department.
- 3) In order to assist local governments in creating and maintaining a local RLF, the Department publishes regulations and an RLF manual (“Guidelines for the Administration of Local Revolving Funds”) which contains detailed information on the creation and management of an RDF-capitalized RLF.
- 4) If a locality is successful in obtaining an RDF grant that will generate program income, the locality will be required to formally adopt RLF policies and procedures prior to drawing down any RDF funds. The locality will also be responsible for completing a semi-annual report that notifies DCA of the current RLF fund balance and specific uses on which RLF monies have been spent. Recipients will be provided copies of the report format and instructions at the time of grant award.
- 5) Localities that are allowed to retain program income must ensure that the RLF is adequately managed. The Department will categorize the RLF as being adequately managed so long as the following responsibilities are being met:
 - a) maintenance of an accounting and financial management system that complies with generally accepted accounting principles and the Department's guidelines for RLF financial management systems;
 - b) compliance with the Department's reporting requirements for local RLFs;
 - c) operation of the local RLF in accordance with DCA-approved policies, procedures, and federal, state, and local law, regulation, contracts, guidance manuals and memoranda;
 - d) maintenance of an application review and selection committee which has the capacity to review and analyze funding requests and determine whether such

GRANT FUNDING, CONTRACT PROCESSING AND ACTIVITY LIMITS, Continued

- e) requests represent prudent investments as defined by generally accepted underwriting criteria;
 - f) maintenance of a loan or grant packaging and structuring capacity which meets appropriate underwriting standards for security and documentation;
 - g) maintenance of a loan servicing and monitoring capacity which ensures that loan payments are collected, that loan covenants are enforced, and that loan security is maintained;
 - h) maintenance of a loan portfolio which represents investments in businesses engaged in sound business purposes that have demonstrated tangible employment of low- and moderate-income persons as defined by DCA; and
 - i) attendance at DCA sponsored training workshops that will be held periodically for purposes of training local RLF administrators.
- 6) In order to assist with the financing of a local RLF program's administrative cost, DCA will allow (on an annual basis) the greater of 5% or \$2,500 of interest earned by the RLF to be used for administration and audit costs. In certain foreclosure and/or hardship situations, DCA may allow additional amounts to be expended for administrative, audit or legal costs.
- 7) Localities that are allowed to retain program income must also ensure that the RLF is utilized in a timely and efficient manner. The Department will categorize an RLF as being adequately utilized so long as the following criteria are met:
- a) The RLF is used only for eligible CDBG economic development activities described in 42 U.S.C. 5305(a) sections: (1), (14), (17), (22) or other code section as may be specifically approved by DCA; and
 - b) The RLF's cash assets (on average) do not exceed 30% of total RLF assets or \$125,000, whichever is more.

Should a locality be unable to utilize the RLF in accordance with 7a and 7b above, the locality may request the DCA to waive the 7a and 7b provisions. The Department may grant waivers when it is determined that sufficient future activity is probable or the locality is taking steps to ensure future activity. However, in general a locality may not retain unused revenue any longer than the full term of the original RDF loan.

NOTE: Please refer to the current Consolidated Plan of the State of Georgia for the Special Provisions for RDF Capitalized Local RLFs. The RLF Guidelines will be available upon request, but normally provided with a grant award package involving a direct loan.

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GENERAL PROGRAM REQUIREMENTS

FEDERAL COMPLIANCE RULES AND REGULATIONS

The Community Development Block Grant Program (CDBG) is administered under the rules and regulations promulgated primarily in Title 24 of the Code of Federal Regulations (CFR), Part 570. These primary regulations are known as the Federal Overlays, and form the basis of the Redevelopment Program requirements. The Department incorporates all Federal Overlays into the State CDBG Program, and the regulations in Part 570 are translated into required actions on the part of all grantees of the state program.

The list below includes but is not limited to those Federal Overlays:

- A. Environmental Standards (based on National Environmental Policy Act of 1969 (NEPA))*
- B. Labor Standards (Davis-Bacon and Related Laws)
- C. Achieving a HUD National Objective
- D. Public Participation Requirements
- E. Fair Housing and Affirmatively Furthering Fair Housing
- F. Equal Opportunity and Non-Discrimination in Federal Grant Programs
- G. Federal Procurement Guidelines
- H. National Flood Insurance Program Compliance
- I. Relocation and Displacement Requirements
- J. Employment and Contracting Opportunities
- K. Lead-Based Paint Requirements
- L. No Use of Debarred, Ineligible or Suspended Contractors or Subrecipients
- M. Uniform Administrative Requirements and Cost Principles
- N. Conflict of Interest Prohibitions
- O. Compliance with the Architectural Barriers Act and the Americans with Disabilities Act
- P. Compliance with Eligibility Restrictions for Certain Resident Aliens
- Q. Federal Reporting Requirements**
- R. Grant and Subrecipient Monitoring Requirements

ADDRESSING BASIC COMPLIANCE RULES AND REGULATIONS

In order to maximize an applicant's competitiveness on the Feasibility criterion, applicants should briefly address the major compliance laws, regulations, requirements, or policies that will be important factors in the proper implementation of their proposals. A brief statement (approximately one paragraph) on each of the major compliance areas on DCA 5 (Description of Activities) should convey to reviewers the applicant's intent to comply with the applicable laws and regulations and should also convey a basic understanding of the requirements.

All applicants should address at a minimum the following, where applicable:

- Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA)
 - Property Acquisition
 - Relocation Assistance
- Section 104(d) of the Housing and Community Development Act
- National Environmental Policies Act (NEPA) and Floodplain and Wetland Protection
- Historic Preservation Compliance
- Labor Standards

- Civil Rights/Fair Housing and Equal Opportunity (FHEO)
 - Section 3
 - Affirmatively Furthering Fair Housing
 - Limited English Proficiency (when applicable)

In addressing these major compliance areas, applicants need to become familiar with the Civil Rights/FHEO information provided in the most current CDBG Applicant's Manual including recent updates to DCA polices regarding Civil Rights/Fair Housing and Equal Opportunity (FHEO). These updates can be found in Appendix R of the most current CDBG Applicant's Manual. These updates include a new Section 3 Policy adopted on October 31, 2013, and a newly adopted Language Access Plan. Appendix R also includes a listing of applicable civil rights laws, their applicable regulations and coverage. Applicants should also be familiar with the Civil Rights/FHEO information provided in HUD's CPD Grantee Monitoring Handbook that can be found at: <http://www.hud.gov/offices/cpd/library/monitoring/handbook.cfm#22>

New Environmental Review Requirement: The environmental review of multi-family housing with five or more dwelling units (including leasing) or the development of non-residential property (buildings such as Head Start Centers, Senior Centers, etc.) must include, as part of the environmental assessment, an evaluation of previous uses of the site or other evidence of contamination on or near the site to ensure that the occupants of proposed sites are not adversely affected by hazardous materials, contamination, toxic chemicals and gases, and radioactive substances. Typically this would be a "Phase One Environmental Assessment" conducted in accordance with American Society for Testing and Materials (ASTM) E1527-05 Standard.

Grantees shall use current techniques by qualified professionals to undertake any investigations determined necessary (24CFR Part 58.5 (i)(2)(ii).

Environmental Professional must be:

- Professional Engineer or Geologist with 3 years of relevant fulltime experience; or
- Licensed or certified to perform All Appropriate Inquiries (AAI) and three years of relevant fulltime experience; or
- Engineering or Science Baccalaureate degree or higher and three years of fulltime relevant experience; or
- The equivalent of 10 years relevant experience.

New Requirement to Consult with Native Americans: On June 15, 2012 HUD published a Notice stating CDBG Recipients "must consult with tribes to determine whether a project may adversely affect historic properties of religious and cultural significance, and if so, how the adverse effect could be avoided, minimized or mitigated." This is applicable to projects on and off tribal lands and to many of Georgia's CDBG/RDF Recipients. The HUD Notice (CPD-12-006) and the HUD Assessment Tool describe in detail the required protocol. Note that the revised Request for Release of Funds and Certification (form HUD 7015.15) includes a certification that this protocol was followed.

A copy of the Notice and revised RROF/Certification can be found via the following web links:

The HUD Notice (CPD-12-006) may be acquired through the following web-link:

<https://www.hudexchange.info/resource/2448/notice-cpd-12-006-tribal-consultation-under-24-cfr-part-58/>

ADDRESSING BASIC COMPLIANCE RULES AND REGULATIONS, Continued

The revised Request for Release of Funds and Certification (form HUD 7015.15) may be acquired through the following web-link:

<https://www.hudexchange.info/resource/2338/hud-form-701515-request-release-funds-certification/>

Additional tools for compliance can be found at the HUD Environmental Assessment Tool at the following web site:

<https://www.hudexchange.info/environmental-review/federal-related-laws-and-authorities>

Federal Funding Accountability and Transparency Act (FFATA):

The RDF applicant should be familiar with the Federal Funding Accountability and Transparency Act (FFATA) when applying for or administering a CDBG/RDF grant. For State CDBG the Department will file on behalf of each local government.

GENERAL PROGRAM REQUIREMENTS

Applications are eligible for funding only if they meet the application threshold requirements outlined in the State of Georgia's Redevelopment Fund Program (RDF) Regulations. In order to meet the Redevelopment Fund threshold requirements, an application must receive at least 375 points under the Redevelopment Fund Rating and Selection System. Furthermore, the application's review must ensure that all appropriate funding criteria have been considered, and that the project conforms to the objectives of Title I of The Housing and Community Development Act of 1974, as amended, and can be carried out in compliance with all other applicable federal, state, or local laws, regulations or requirements.

The locality submitting the RDF application must certify the project has met (or will meet) the requirements of the National Environmental Policy Act (NEPA) as specified in Georgia's CDBG Program Regulations and CDBG Recipient's Manual. (*Refer to Section 2: ERR (Environmental Review Requirements) in the most recent CDBG Recipient's Manual and the Environmental Assessment, Statutory Checklist and other related forms*).

The locality submitting the RDF application must hold a public hearing and pass a local resolution authorizing submittal of the application in accordance with the requirements of the State's CDBG and Redevelopment Fund program regulations and guidelines. The public notice and minutes of the hearing along with a copy of the local resolution should be included in the application. (See the Citizens Participation Requirements section in this Application Manual for details.)

In order to meet federal funding requirements, various forms, certifications and documents are required to be submitted with a RDF application. Therefore, applications for the RDF program must be submitted in conformance with the format and applicable instructions specified by the Department of Community Affairs within this Application Manual. To be considered complete, an application must contain all the appropriate elements listed on the RDF Application Completeness Checklist including all supplemental documentation requested for the appropriate project type (either public facilities or assistance to a private, for-profit business) and must include original signatures of the applicant's certifying representative on the Redevelopment

GENERAL PROGRAM REQUIREMENTS, Continued

Fund Application Summary Form (Form DCA-1 RD), the Certified Assurances Form (Form DCA-10) and the CDBG/Redevelopment Fund Disclosure Report (Form DCA-13). All forms and checklists are available on DCA's website.

CITIZEN PARTICIPATION REQUIREMENTS

The Housing and Community Development Act emphasizes efforts to involve citizens, especially low- and moderate-income citizens, in all aspects of the CDBG Program. As required by the Act, the Georgia Department of Community Affairs has adopted a written Citizen Participation Plan which can be found in Section 13 of the State CDBG Program Regulations as adopted by the Board of the Department of Community Affairs on February 17, 1988, as amended.

Applicants for and recipients of CDBG/RDF funds certify that they will follow this plan requiring units of local government to provide for and encourage participation in the planning, implementation, and assessment of their CDBG/RDF program.

In order to meet these goals, applicants must, at a minimum, meet the following requirements:

1. Hold at least one (1) public hearing in the locality prior to submission of an application to DCA. The purpose of the hearing will be to obtain citizens' views and to respond to proposals and questions concerning previous CDBG funded projects (if any) and to obtain citizen participation in the development of proposals including identification of community needs and proposed activities.
2. **Hold at least one (1) public hearing to discuss the approved activities within sixty (60) days after acceptance of the grant award.** The hearing must include the estimated amount of funds proposed to be used for activities benefiting low- and moderate-income persons and plans to minimize displacement and assist displaced persons.
3. Hold at least one (1) public hearing if a grantee proposes a substantial amendment to the program, as defined in the CDBG Recipients' Manual published by DCA.

While meeting the above requirements, applicants must commit to holding these public hearings in accessible buildings and provide all persons with equal access to its services, programs, activities, education, and employment regardless of race, color, national origin, religion, age, sex, familial status, or disability. Applicants should refer to the DCA Effective Communication Policy at <http://www.dca.ga.gov/main/FairHousing.asp> for more information.

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CITIZEN PARTICIPATION REQUIREMENTS, Continued

4. At the completion of the project, the recipient shall hold a “close-out” public hearing on its performance and accomplishments of the project. The recipient shall prepare a detailed Final Quarterly Report, which describes the accomplishments of the project. The recipient shall make the report available to the public and solicit comments on performance prior to grant close out.
5. A notice of publication advertising each public hearing must be published not less than five (5) full days prior to the date of the hearing in the **non-legal** section of a local newspaper of general circulation. (A sample public hearing notice follows.) Local governments are encouraged to take other actions to provide adequate notice to potentially interested persons.
6. A copy of the application as submitted to DCA must be available for public review and the public must be notified of its availability for review.
7. Hearings must be held at times and locations convenient to potential or actual beneficiaries and with accommodations for the needs of the disabled. Public hearing notices should include information to accommodate special needs.
8. The needs of non-English speaking residents must be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.
9. Applicant/recipient files must contain evidence that the actions listed in this section have been taken, including copies of actual notices and minutes of hearings.
12. Applicants and recipients must provide technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals, with the level and type of assistance to be determined by the local unit of government.
13. Citizens must be provided with reasonable and timely access to local meetings, information and records relating to the local government’s proposed and actual use of CDBG/Redevelopment Fund funds as required by HUD regulations and state law.
14. In the event the local government receives a written complaint or grievance concerning the CDBG program, a timely written response must be made within 15 working days, where practical.

In the case of receipt of a citizen complaint please refer to the CDBG Recipient’s manual (see Citizen Participation Requirements).
14. This section may not be construed to restrict the responsibility or authority of the local government for the development and execution of its community development program.
15. The applicant must certify in the Certified Assurances component of the application (Form DCA-10) that requirements under items 1 through 13 have been met.

SAMPLE PUBLIC HEARING NOTICE

The (city or county) of (name of city or county) is considering applying to the Georgia Department of Community Affairs (DCA) for a Redevelopment Fund (grant or loan) of up to \$(amount of funds). These funds must generally be used for the following purpose:

1. To benefit low- and moderate-income persons; and
2. To aid in the prevention or elimination of slums or blight; or
3. To meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. The applicant must certify and the Georgia DCA must concur that such conditions exist.

The activities for which these Redevelopment Funds may be used are in the area of economic development. More specific details regarding eligible activities, plans to assist displaced persons (if any), the estimated amount of funds proposed to be used for activities to benefit low- and moderate-income persons, and the rating system will be provided at a public hearing which will be held at (place/address) on (date), at (time).

The purpose of this hearing will be to obtain citizen input into the development of the application and to review progress on the previous CDBG grant(s) (if applicable). Persons with special needs relating to handicapped accessibility or foreign language shall contact (name/phone) prior to (date). This person can be located at (complete address) between the hours of (hours am – pm), Monday through Friday, except holidays. Persons with hearing disabilities can contact us at our TDD number (AC + number). [Applicants who do not have a TDD phone may consider using the Georgia Relay Service, at (TDD) 1-800-255-0056 or (Voice) 1-800-255-0135.]

NOTE: *The applicant shall maintain detailed minutes of this hearing, a "tearsheet" or affidavit pertaining to the public notice and documentation as to whether or not "special needs" were required and, if applicable, addressed.*

Open Records Statute (O.C.G.A. § 50-18-70 et seq.)

The O.C.G.A. § 50-18-70 (a) reads as follows: "The Georgia General Assembly finds and declares that the strong public policy of this state is in favor of open government; that open government is essential to a free, open, and democratic society; and that public access to public records should be encouraged to foster confidence in government and so that the public can evaluate the expenditure of public funds and the efficient and proper functioning of its institutions. The General Assembly further finds and declares that there is a strong presumption that public records should be made available for public inspection without delay. This article shall be broadly construed to allow the inspection of governmental records. The exceptions set forth in this article, together with any other exception located elsewhere in the Code, shall be interpreted narrowly to exclude only those portions of records addressed by such exception."

The Department has interpreted the above code to mean that past and current records on the use of CDBG/RDF funds are required to be open for public inspection. However, certain proprietary information which may be required by DCA to be included in an application and must be supplied by a business in order to compete and which constitutes a "trade secret" (O.C.G.A. § 10-1-740 et seq.; § 16-8-13(a)(4)) is exempt from disclosure under O.C.G.A. § 50-18-72.

APPLICATION EVALUATION AND REVIEW

APPLICATION REVIEW PROCEDURE

1. Faxed or e-mail transmitted applications will not be accepted.
2. The Department will conduct a preliminary review of each application to determine whether or not the application meets all of the applicant threshold eligibility criteria.
3. Applications that meet all of the threshold criteria will be reviewed for activity eligibility. If an activity is deemed ineligible, that application will not be rated.
4. If an application does not provide all the required supporting documentation at application submission, the Department will contact the applicant and provide an opportunity to submit any missing documentation to complete the application.
5. Once the applicant has submitted a complete application, the RDF application review process will commence until the application has met a final funding decision recommendation from the project review.
6. Once all rating is completed, the application will be forwarded to the Executive Review Committee to await final funding decision. The Department will contact each applicant to inform them of whether they were funded or not. All CDBG-RDF awarded applicants must have a fully executed contract with DCA prior to disbursement of any funds.

APPLICATION EVALUATION CRITERIA

Once an application is complete, DCA staff will evaluate the application against the various rating and selection factors set forth in this the CDBG/RDF Manual. The rating and selection factors for the program are those specified under the "Rating System" section below, and any additional or supplemental information, data, analyses, documentation, commitments, assurances, etc. as may be required or requested to evaluate, rate, and select applicants under this program.

Once scores are totaled, applications/projects with scores of at least 375 points, that meet all appropriate funding criteria, that conform to the objectives of Title I of the Housing and Community Development Act of 1974, as amended, and that can be carried out in compliance with all applicable federal, state or local law, regulations or requirements will be funded, unless funding has been exhausted. Generally, RDF funding announcements are made within 45 days from receipt of a complete application.

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APPLICATION SCORING CRITERIA AND THRESHOLD

A Redevelopment Fund Program application can receive a maximum of up to 600 points but must receive a minimum of 375 points to pass scoring threshold.

Complete applications will be rated and points awarded based on the following point system:

<u>FACTOR</u>	<u>MAXIMUM POINTS</u>
1. Project Feasibility	210
2. Project Strategy and Innovation	240
3. Leverage of Additional Resources	30
4. Demographic Need	120
TOTAL MAXIMUM POINTS	600

NOTE: Minimum score for funding: (375 points)

THRESHOLD REQUIREMENT FOR ‘SPOT BASIS’ PROJECTS: The proposed RDF activity must meet one of the following eligible activities allowed under the National Objective of removal of slum and blight under the ‘spot basis’ standard:

- Acquisition
- Clearance
- Relocation
- Historic Preservation
- Building Rehabilitation

Factor 1: Project Feasibility (210 points maximum)

Project Feasibility points are based on how each application addresses the following: eligibility of proposed activity, reasonableness of costs, compliance with applicable state and federal laws, project timetables and confirmation of required financial resources, completeness of proposed plans and specifications, reasonableness of the sub-recipient’s proposed business plan(s) and financial projections, reasonableness of any site clean-up proposal and plan, and conformance with applicable underwriting and review requirements contained in 24 CFR Part 570. A brief, thorough description of plans for implementing Section 3 requirements will enhance an applicant’s chances of receiving the maximum score on Feasibility. **Note:** Pre-Funding procurement requires Section 3 compliance.

Points for feasibility will be awarded by a DCA staff review panel as follows:

Level One	(Poor)	-0-
Level Two	(Fair)	52.5
Level Three	(Good)	105.0
Level Four	(Very Good)	157.5
Level Five	(Excellent)	210.0

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APPLICATION SCORING CRITERIA AND THRESHOLD, Continued

Factor 2: Project Strategy (240 points maximum)

Strategy points are based on: the severity of need, documentation that a project's public benefits will exceed project costs, documentation that the proposed strategy meets the eligibility criteria and a national objective of the CDBG program, documentation that the project complies with all local ordinances, state laws, and state regulations. Points will be awarded by a DCA staff review panel as follows:

Level One	(Poor)	-0-
Level Two	(Fair)	60.0
Level Three	(Good)	120.0
Level Four	(Very Good)	180.0
Level Five	(Excellent)	240.0

Factor 3: Project Leverage (30 points maximum)

Leverage points are awarded based on a firm commitment of additional resources directly related to the project, including capital costs and new funds for operation of any proposed program(s). The "leverage ratio" of other private or public funds will be the criterion considered. A reasonable value must be assigned to donated and in-kind items. The leverage score will be calculated based on the total value of leverage for each applicant. Applications with no leverage will receive no points. Points will be awarded by DCA staff review panel as follows:

Level One	1:1 to 2:1	10
Level Two	2:1 to 3:1	20
Level Three	Over 3:1	30

Factor 4: Demographic Need (120 points maximum)

Demographic Need points are calculated based on three factors:

- 1) *Absolute number of people in poverty:* Scores are calculated by dividing the number of persons in poverty in the community by the greatest number of persons in poverty of any CDBG applicant and multiplying by 40.
- 2) *Percent of people in poverty:* Scores are calculated by dividing the applicant's percentage of persons in poverty by the highest percentage of persons in poverty of any CDBG applicant and multiplying by 40.
- 3) *Per capita income:* Scores are calculated by dividing the applicant's per capita income into the lowest per capita income of any CDBG applicant and multiplying by 40.

Note: Demographic scores are calculated by DCA based on county data. The number and percentage of persons in poverty is based on the U.S. Bureau of the Census' most recent data that is consistent as of the same point of time for all applicants. Per capita income will be based on the most recent available data that is consistent as of the same point of time for all applicants.

APPLICATION SCORING CRITERIA AND THRESHOLD, Continued

Pre-Decision Site Visits

The staff may conduct site visits and hold discussions with applicants and proposed sub-recipients and beneficiaries to confirm and evaluate application information. The staff may consult with other appropriate government and private entities in the course of reviewing and evaluating information contained in applications.

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APPENDICES

APPENDIX A

REDEVELOPMENT FUND PROGRAM APPLICATION SUPPLEMENTS FOR PUBLIC FACILITY PROJECTS

EXHIBITS WHICH SHOULD BE INCLUDED:

- A. Local Government's Most Recently Audited Financial Statement.**
- B. Source and Use Statement** for infrastructure portion of the project.
- C. Design Development Report and/or Plans and Specifications*** (as applicable). Approved by DNR/EPD, DOT and/or other permitting agency and certified by engineer.
- D. Cost Estimate** certified by engineer or architect.
- E. Commitment Letters** **1)** from business (es) indicating the number of full-time jobs to be created/retained, the percentage of jobs that will be held for low and moderate income persons and the private investment; **2)** from participating financial institution(s) indicating the amount, rate, term, and any contingencies associated with financing being made available to the participating business; and **3)** from any other financing source(s) indicating funds available for the balance of the infrastructure cost (if any). (see sample formats)
- F. Business Synopsis**
Provide a brief history and description of the business that will benefit from the project. Also, indicate: **who** will receive benefits from the infrastructure; **what** endeavors the business will undertake as a result of the provision of the infrastructure; **where** it will undertake the endeavor; **when** it will undertake the project; and **how** it will finance the project.
- G. Description of New Jobs** created by salary range and skill level required (include benefits available, such as health, retirement, leave, etc.).
- H. Documentation** that the business has control of all real estate needed for the implementation of the project (i.e., Purchase Options or Sales Agreement, etc.).
- I. Resolution** declaring a "spot basis" Slum or Blight National Objective for purposes of the Georgia CDBG program (see sample resolution, Appendix E) or documentation that the project area as delineated by the unit of local government meets the definition of Slum or Blight on an "area basis" under state or local law.

***Contents of Preliminary Architectural Reports**

Preliminary Architectural Reports generally take the following format.

Executive Summary

- Brief description of Project Area needs, Conclusions and Recommendations

Introduction

- Purpose and Scope
- Authorization
- Previous Studies

Background

- Project Area conditions including description of needs to be addressed
- Description of existing facilities, if any, including existing floor plan with all dimensions and descriptive labels for all rooms.
- Projections of future needs

Evaluation of Alternatives

- Descriptions of alternative solutions considered (new construction, renovation, additions to existing structures), including cost estimates for each alternative
- Site selection criteria
- Location relative to population served
- Adequacy of infrastructure (access, water, fire protection, sanitary sewer, storm drainage)
- Soil conditions, and topographic constraints
- Assessment of impacts on existing residents & property owners, if any

Description of Proposed Project

- Identification of applicable federal, state and local design standards
- Preliminary Site Plan showing proposed ingress – egress, vehicle circulation on-site, drop-off area, regular parking and accessible parking, service access (dumpster location with truck access, mechanical room access), extensions of utilities (water, sanitary, electric, telephone), access road improvements, emergency vehicle access
- Description of storm drainage outfall(s) and consideration of downstream impacts
- Description of proposed/improved facilities, including preliminary floor plan with all dimensions and descriptive labels for all rooms
- Required permits

Detailed Project Budget

- Construction and material costs
- Design and oversight fees
- Grant Administration
- Funding sources
- Projected Operating Revenues and Expenses (if applicable)

Project Schedule

All Preliminary Architectural Reports (PARs) should include an original signature and an architectural stamp. Points may be deducted for feasibility without these required features.

REDEVELOPMENT FUND PROGRAM APPLICATION SUPPLEMENTS FOR DIRECT LOANS

EXHIBITS WHICH SHOULD BE INCLUDED:

- A. **Synopsis of Project.** Indicate: *who* will receive benefits of Redevelopment Fund financing; *what* the Redevelopment Fund proceeds will be used for; the amount of financing needed to implement the total project; *where* the project will take place; *when* the project will be implemented; and *how* the Redevelopment Fund financing will be packaged and administered.
- B. **Resolution** declaring a “spot basis” Slum or Blight National Objective for purposes of the Georgia CDBG program (see sample resolution, Appendix E) or documentation that the project area as delineated by the unit of local government meets the definition of Slum or Blight on an “area basis” under state or local law.
- C. **Business Plan** Provide a business plan and brief history and description of the business. Include information concerning: the type of business, products, marketing information, major customers, competitive position in the industry, size of the market, primary competitors, stability of the market, seasonality of the market, price/quality of product, major distribution channels, etc.
- D. **Source and Use Statement** (see sample format).
- E. **Purchase Option or Sales Agreement** on any real estate needed to undertake the project.
- F. **Appraisal(s)** of any real estate to be financed.
- G. **Plans, Written Cost Estimates and Proposals** on all proposed construction, renovation. For machinery & equipment purchases include **Price Quotes** from appropriate vendors.
- H. **Financial Commitment Letter(s)** from participating financial institution(s). The letter(s) should indicate the amount, rate, term, and any contingencies associated with the financial institution's loan. (see sample format)
- I. **Commitment Letter(s)** from participating business(es). The letter(s) should indicate the number of full-time jobs which will be created/retained and the percentage of the jobs that will be held for low and moderate income persons. (see sample format)
- J. **Description of New Jobs** by salary range and skill level required (include benefits available, such as health, retirement, leave, etc.).
- J. **List of Available Collateral** with prior liens and mortgages noted.

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DIRECT LOAN EXHIBITS, Continued

- L. Financial Statements:** Provide balance sheets and income statements for the past three years. Also provide a pro-forma balance sheet and projected income statements for one year or until break even point is achieved. If financial statements are unaudited, also provide copies of company's federal tax returns and related schedules.
- M. Interim Financial Statements** (less than 90 days old).
- N. Cash Flow Projections.**
- O. List of Affiliates or Subsidiaries:** Organizational documents for applicant company and Certificate of Existence on corporations from Secretary of State's Office.
- P. Resumes of Principals & Key Management Personnel (include Soc. Security Numbers).**
- Q. Personal Financial Statement** of the owner or each partner or stockholder owning 20% or more of the voting stock in the corporation.
- R. Schedule of Existing Debt** (see sample format).

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APPENDIX B

STANDARD OF CONDUCT PROVISIONS

Excerpt from 24 CFR, Part 85, Section 85.36(b)(3), "Code of Conduct":

Grantees shall maintain a written code of standards of conduct which shall govern the performance of their officers, employees or agents engaged in the award and administration of contracts supported by Federal funds. No employee, officer or agent of the grantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- a. The employee, officer or agent;
- b. Any member of his immediate family;
- c. His or her partner; or
- d. An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.

The grantee's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements.

Grantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

To the extent permitted by State or local law or regulations, such standards of conduct shall provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's officers, employees, or agents, or by contractors or their agents.

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STANDARD OF CONDUCT PROVISIONS, Continued

HUD Regulations, Section 570.489(h), "Conflict of Interest"

(a) Applicability -

(1) In the procurement of supplies, equipment, construction, and services by recipients, and by subrecipients (including those specified at Section 570.204(c)), the conflict of interest provisions in 24 CFR, Part 85, Section 85.36(b)(3) (the above provisions), shall apply.

(2) In all cases not governed by 24 CFR, Part 85, Section 85.36(b)(3), the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient by its subrecipients, or to individuals, businesses and other private entities under eligible activities which authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to Section 570.202, or grants, loans and other assistance to businesses, individuals and other private entities pursuant to Sections 570.203, 570.204 or 570.455).

(b) Conflicts prohibited -

Except for approved eligible administrative or personnel costs, the general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to RDF activities assisted under this Part or who are in a position to participate in a decision making process or gain inside information with regard to such activities may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(c) Persons covered -

The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or subrecipients under Section 570.204, which are receiving funds under this part.

(d) Exceptions: threshold requirements -

Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project.

STANDARD OF CONDUCT PROVISIONS, Continued

An exception may be considered only after the recipient has provided the following:

- (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
- (2) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) Factors to be considered for exceptions -

In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d) of this section, HUD shall consider the cumulative effect of the following factors, where applicable:

- (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available:
- (2) Whether an opportunity was provided for open competitive bidding or negotiation:
- (3) Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class:
- (4) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question:
- (5) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section:
- (6) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- (7) Any other relevant considerations.

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APPENDIX C

CODE OF ETHICS FOR GOVERNMENT SERVICE

O.C.G.A. § 45-10-1 to O.C.G.A. § 45-10-5. Establishment and text of code of ethics for government service generally: There is established for and within the state and for and in all governments therein a code of ethics for government service which shall read as follows:

Any person in government service should:

- I. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or government department.
- II. Uphold the Constitution, laws, and legal regulations of the United States and the State of Georgia and of all governments therein and never be a party to their evasion.
- III. Give a full day's labor for a full day's pay and give to the performance of his duties his earnest effort and best thought.
- IV. Seek to find and employ more efficient and economical ways of getting tasks accomplished.
- V. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not, and never accept, for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.
- VI. Make no private promises of any kind binding upon the duties of office, since a government employee has no private word which can be binding on public duty.
- VII. Engage in no business with the government, either directly or indirectly, which is inconsistent with the conscientious performance of his governmental duties.
- VIII. Never use any information coming to him confidentially in the performance of governmental duties as a means for making private profit.
- IX. Expose corruption wherever discovered.
- X. Uphold these principles, ever conscious that public office is a public trust.

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APPENDIX D

CDBG/RDF/RDF Program: Family Income Limits

FISCAL YEAR 2015

http://www.huduser.org/portal/datasets/il/il15/FY2015_IL_ga.pdf

APPENDIX E

Sample Resolution Declaring a “Spot Basis” Slum or Blight National Objective for purposes of Georgia CDBG program per 24 CFR Part 570.483

(Note this Resolution DOES NOT fulfill the requirements of the Georgia Urban Redevelopment Law)

Whereas, (Name of Local Government) is submitting a CDBG application for consideration under the Department of Community Affairs’ Redevelopment Fund Program; and

Whereas, the application must document that at least one of the national objectives of Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.) will be met; and

Whereas, one of the required national objectives is the elimination or prevention of slums and blight; and

Whereas, (Name of Local Government) has documented that the property located at (address of property) is a blighting influence under local standards, detrimental to the public health, safety and welfare and that the property’s deterioration is negatively affecting the surrounding neighborhood, community facilities, and local tax base; and

Whereas, (Name of Local Government) proposes to develop a contract with the (Name of Downtown Development Authority) who will alleviate the aforementioned blight through the use of CDBG monies to implement certain (describe activities i.e. acquisition, clearance, relocation, historic preservation, or building rehabilitation) activities that (Name of Local Government) has determined meet the local and federal definition of activities which aid in the prevention or elimination of slums and blight on a spot or area basis per 24 CFR Part 570.483(c); and

Whereas, (Name of Local Government) feels that the rehabilitation, conservation, and redevelopment of the area is necessary to facilitate the elimination and prevention of slums and blighting influences to the surrounding area and that these actions are necessary to the public health, safety, and welfare of (Name of Local Government).

Now, therefore be it resolved, that (Name of Local Government) hereby approves this Resolution.

Adopted and made effective this _____ day of _____, 201__.

APPENDIX F

**REDEVELOPMENT FUND PROGRAM
SAMPLE COMPANY COMMITMENT LETTER
FOR PUBLIC FACILITY**

COMMITMENT TO CREATE/RETAIN JOBS

(to be completed on company letterhead and addressed to applicant)

DATE

Dear _____:

Contingent only upon the recRDFt of an award under the Redevelopment Fund Program and availability of the same to (developer, industry, company, business, corporation, etc.) as provided for in the application of (local government applicant) the (developer, industry, company, business, corporation, etc.) hereby commits to the (local government applicant) to (describe proposed project, specify construction, expansions, etc.) at a total investment cost of approximately \$ (amount). The proposed financing sources are (name each source and dollar amount). The \$ (amount) of Redevelopment Fund financing will be used to (describe use of funds) as provided for in the application.

(Developer, industry, company, business, corporation, etc.) further commits to create and/or retain (specify) (number) full-time permanent jobs, (number) of which will be available to low and moderate income persons. We will initiate project activities on or about (date) and complete the same on or about (date). We will provide the applicant with a construction schedule upon initiation of project activities and documentation of hiring, including evidence of low and moderate income hiring within ninety (90) days of project completion.

(Developer, industry, company, business, corporation, etc.) also hereby commits, as beneficiary of an Redevelopment Fund financed public facility or infrastructure, to provide (an Irrevocable Standby Letter of Credit (L/C) or Surety/Performance Bond) in the amount of the grant award, should the public facility or infrastructure project be funded. We understand that the purpose of the (L/C or Surety) is to warrant our commitments to invest and create employment opportunities.

Sincerely,

(signature of official or officer
authorized to make commitment)

APPENDIX G

**REDEVELOPMENT FUND PROGRAM
SAMPLE COMPANY COMMITMENT LETTER
FOR DIRECT LOAN**

COMMITMENT TO CREATE/RETAIN JOBS
(to be completed on company letterhead and addressed to applicant)

DATE

Dear _____:

Contingent only upon the receipt of an award under the Redevelopment Fund Program and availability of the same to (developer, industry, company, business, corporation, etc.) as provided for in the application of (local government applicant) the (developer, industry, company, business, corporation, etc.) hereby commits to the (local government applicant) to (describe proposed project, specify construction, expansions, etc.) at a total investment cost of approximately \$ (amount). The proposed financing sources are (name each source and dollar amount). The \$ (amount) in Redevelopment Fund financing will be used to (describe use of funds) as provided for in the application.

(Developer, industry, company, business, corporation, etc.) further commits to create and/or retain (specify) (number) full-time permanent jobs, (number) of which will be available to low and moderate income persons. We will initiate project activities on or about (date) and complete the same on or about (date). We will provide the applicant with a construction schedule upon initiation of project activities and documentation of hiring, including evidence of low and moderate income hiring within ninety (90) days of project completion.

(Developer, industry, company, business, corporation, etc.) also hereby commits to repay the \$ (amount) in Redevelopment Fund financing as provided for in the application.

Sincerely,

(signature of official or officer
authorized to make commitment)

APPENDIX H

**REDEVELOPMENT FUND PROGRAM
SAMPLE LENDER COMMITMENT LETTER**

COMMITMENT TO FINANCE

(to be completed on the letterhead of the lending institution and addressed to the developer, industry, company, business, corporation, etc.)

DATE

Dear _____:

Please be advised that we have reviewed your financial statements and project proposal regarding financing for (describe proposed project, specify construction, expansion, etc.) in (location). It is our understanding that (applicant) has applied for \$(amount) in Community Development Block Grant funds (under the "Redevelopment Fund Program") to (describe use of funds) as part of the project.

Based on the financial and project feasibility information provided, we feel the CDBG funds for (describe project) would make this a viable project and hereby commit to provide (describe amount and type of financing) for (describe purpose of financing). This commitment has been approved by our (loan committee board, etc.) and is subject to the following terms and conditions: (specify terms and conditions: recRDFt of the award can be a condition).

Sincerely,

(signature of official or officer
authorized to make commitment)