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INTRODUCTION

This Applicants' Manual represents one of the key elements by which the Department addresses its administrative responsibilities for the Community Development Block Grant (CDBG) Program. Every effort has been made to balance the need for sufficient information upon which to make rational decisions between competing proposals and to ensure compliance with Federal law with the desire to eliminate all unnecessary paperwork and reduce the administrative burden on local governments.

It is essential that applicants prepare application documents in accordance with the instructions contained herein and as outlined at the Applicants' Workshop sessions. Applications should be clear, thorough and sufficiently detailed to provide all information required. **This is the responsibility of the applicant whether the applicant prepares the application or whether the application is prepared by a representative, agent or designee**.

During the FFY 2018 program year, the Georgia CDBG program is divided into four separate components: (1) The Annual Competition, (2) The Immediate Threat and Danger Grant Program (IT&D), (3) The Employment Incentive Program (EIP) and (4) The Redevelopment Fund.

This Applicants' Manual addresses only the CDBG Annual Competition. Applicants' Manuals for the IT&D, EIP and Redevelopment Fund can be downloaded from the Department of Community Affairs' (DCA's) web site at http://www.dca.ga.gov/communities/CDBG/index.asp.

Overview and History of Community Development Block Grant Program (CDBG)

The origins of the CDBG Program can be traced to our nation's recognition of widespread poverty in inner city areas, the urban disorders of the 1960s and the deterioration of the urban infrastructure. During the 1960s, many programs were enacted by the federal government to address these problems through the creation of what are now called "categorical programs," each addressing a specific problem recognized by Congress. Programs such as the Urban Recreation and Parks Program, "slum and blight clearance" programs and other categorical programs were enacted and funded. Each required a separate application by interested city or county governments.

During the first half of the 1970s, the federal government recognized that it would be more effective to enact broad "block grant" programs to replace many of the separate categorical programs. These new block grants allowed local governments wider latitude to design programs more in tune with their locally identified needs and priorities. During this period, Congress expanded appropriations for block grant programs and determined which communities would be entitled to receive these funds (as opposed to requiring separate applications from interested local governments).

The Community Development Block Grant (CDBG) was first enacted by Congress as Title I of the Housing and Community Development Act of 1974. The CDBG program replaced a number of federal categorical programs.

The primary objective of CDBG as stated in the Act, is "the development of viable communities through improvement of living conditions, housing and the expansion of economic opportunities in cities and counties, principally for persons of low- and moderate-income."

Initially only larger urban governments were entitled to receive CDBG funds. At the federal level, the U.S. Department of Housing and Urban Development (HUD) administered the program and enacted regulations to allow local governments to implement a broad range of eligible activities as long as they furthered the National Objectives of the Act.

During the 1970s, Congress expanded the range of local governments receiving CDBG funds to address problems faced by smaller cities and rural communities by providing funding to HUD to create a new competitive "Small Cities" Program. This program became known as the HUD administered "Small Cities CDBG Program for Non-Entitlement Cities." Eligible governments were those under 50,000 in population. It was called a "non-entitlement program" because communities interested in receiving funds made a competitive application to HUD rather than being entitled to receive direct funding as were the larger urban governments. Otherwise HUD operated the Small Cities Program in a manner very similar to the larger Entitlement CDBG Program.

During the early 1980s, the federal government passed sweeping changes to "devolve" many federal programs by limiting federal agencies to oversight and rulemaking roles and allowing state governments a role in administering many formally exclusively federal programs. For example, state agencies responsible for environmental protection (such as the Georgia Department of Natural Resources, Environmental Protection Division) assumed many of the responsibilities of the U.S. Environmental Protection Agency (EPA).

In 1981, acting at the request of President Reagan, Congress amended the Housing and Community Development Act of 1974 and directed HUD to establish a new CDBG Program for Non-Entitlement local governments to be administered by state governments, replacing the HUD Small Cities Program. Under the changes implemented in 1981, while states were allowed to administer the non-entitlement program, HUD was given continued responsibility to directly administer the urban-entitlement program and regulate state administration of the non-entitlement CDBG program.

In enacting this new program, Congress clearly desired that state governments have the major responsibility for the design and management of the new CDBG Program for Non-Entitlement Communities. In this regard, the first federal regulation issued by HUD in 1982 for the new program was developed only after extensive consultation with state governments and it allowed states great flexibility in program design and management. To quote the regulation [24 CFR Part 570.480(c)], "the Secretary (of HUD) will give maximum feasible deference to the state's interpretation of the statutory requirements and the requirements of this regulation."

At the time of the new regulation, DCA was given the responsibility of design and management of the new CDBG Non-Entitlement Program. Utilizing an extensive consultation and advisory process with Georgia's non-entitlement local governments, DCA designed a competitive CDBG Program responsive to local needs and priorities. The consultation and advisory process continues through annual public input hearings and DCA "listening sessions" with affected local governments, their staff, Regional Commissions (RCs), and consultants.

Each year the State of Georgia receives CDBG funds from the U.S. Department of Housing and Urban Development (HUD) for a variety of housing, public facility, and economic development programs which are included in the State's Annual Consolidated Plan. The CDBG Annual Competition described by this Applicants' Manual describes the competitive rating and review process that will be used to distribute FFY 2018 Annual Competition CDBG funds.

Definitions

CDBG has a language all its own at times. This list of definitions is intended to assist applicants in understanding and using the terminology.

Affirmatively Furthering Fair Housing: The Housing and Community Development Act of 1974, as amended, is the dominant statute for the Community Development Block Grant (CDBG) program. It requires that each federal grantee certify to HUD's satisfaction that (1) the awarded grant will be carried out and administered according to the Fair Housing Act, and (2) the grantee will work diligently to

affirmatively further fair housing, and (3) the grantee will maintain records to support the affirmatively furthering fair housing certification.

Area Benefit Projects: An activity, the benefits of which are available to all the residents in a particular area, where at least 70 percent of the residents are low- and moderate-income persons. Such an area need not have the same boundaries as census tracts or other officially recognized boundaries but must be the entire area served by the activity. Units of general local government may, at the discretion of the state, use either HUD-provided data comparing census data with appropriate low- and moderate-income levels or survey data that is methodologically sound. An activity that serves an area that is not primarily residential in character shall not qualify under this criterion. The web site for the HUD-provided data is https://www.hudexchange.info/manage-a-program/census/.

Certified assurance: The document that all CDBG local government applicants must sign (See DCA Form 10). It contains many "certifications" required by federal law and should be read and must be signed by the Chief Elected Official of the applicant. ***In addition, the signature must be authorized by a resolution of the governing body (i.e., city council, etc.) and submitted with the application.***

CDBG: The Community Development Block Grant Program as authorized by the Housing and Community Development Act of 1974. CDBG is divided into two general programs: 1) the "entitlement program" administered by HUD provides funding to metropolitan cities and urban counties; and 2) the State "non-entitlement" program for smaller local governments.

CFD: Community Finance Division of the Georgia Department of Community Affairs. The division of DCA where the CDBG program is housed.

CHIP: Community HOME Investment Program. Created by the National Affordable Housing Act of 1990, the Home Investment Partnerships (HOME) Program is the first federally funded block grant designed to address state and local affordable housing concerns. The CHIP program is administered by DCA's Housing Finance Division.

Conflict of interest: Elected officials, government employees, and their families are generally prohibited from benefiting either financially or personally from CDBG funded activities. An example would be if a councilmember lived in the neighborhood receiving CDBG funded waterlines. See the Conflict of Interest and Certification sections of this manual for more information.

Consolidated Plan: Developed by local and state governments with input from citizens and community groups, the Consolidated Plan serves four functions: 1) it is a planning document for each state and community, built upon public participation and input; 2) it is the application for funds under HUD's formula grant programs (CDBG, HOME, ESG, and HOPWA); 3) it lays out local priorities; and 4) it lays out a 3-5 year strategy the jurisdiction will follow in implementing HUD programs. The FY 2017 Plan is available on the DCA web site at: http://www.dca.ga.gov/.

Cooperating agreement: This is the agreement needed for joint or regional CDBG applications (see DCA Form 11). It sets forth which applicant is considered the "lead applicant" responsible for all compliance considerations.

The Davis-Bacon Act of 1931: Statutory requirement that persons working on Federally-supported projects be paid minimum prevailing wage rates for particular crafts or labor classifications as prescribed by the Secretary of Labor. For purposes of the State Administered CDBG Program, all contracts are subject to the Act and must be monitored by DCA for compliance.

Environmental Impact Assessment: As required by the National Environmental Policy Act of 1969, and for purposes of the State CDBG Program, a document prepared by a recipient government which identifies and analyzes environmental impacts of a proposed project. CDBG projects started before

completion of the assessment and requisite findings and public notices are NOT eligible for CDBG funding. The federal government requires DCA to monitor each individual project for compliance. (See National Environmental Policy Act.)

Equal Employment Opportunity (EEO): Term which refers to a variety of federally required activities to ensure non-discrimination in hiring, promoting, and managing employees. DCA is required to monitor each CDBG recipient's compliance with EEO requirements.

Faith-Based Initiatives: A federal initiative to level the playing field for faith-based organizations when attempting to access federal grant funds. Faith-based organizations, although ineligible for direct CDBG assistance, may partner with local governments to assist low- and moderate-income persons using eligible CDBG activities. Please see further information at: http://www.hud.gov/offices/fbci/.

Fair Housing Act: Legislation first enacted in 1968 and expanded by amendments in 1974 and 1988, which provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, and familial status. DCA is required to monitor each CDBG recipient's compliance with applicable requirements.

Finding of No Significant Impact (FONSI): Pursuant to NEPA, a document presenting the findings of an Environmental Assessment stating that a proposed project will not result in an action which will significantly affect the quality of human life. See 24 CFR Part 58, Directive Number: 97-8.

HOME: Federal funds authorized pursuant to the Housing and Community Development Act that provides funds to local governments and states for new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers, and tenant-based rental assistance.

Household: All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

HUD: United States Department of Housing and Urban Development - the Federal agency responsible for oversight and regulation of CDBG funding to states.

Joint application: A joint application includes more than one local government as applicant. Joint applications are generally required when less than 51% of the beneficiaries are located within the jurisdiction of the applicant unit of local government. Exceptions may be considered on a case-by-case basis with DCA approval.

Last Resort Housing: One of the few ways that CDBG can be used for new housing construction. Used in CDBG when no existing relocation housing resources are available for displaced persons. See 49 CFR Part 24.404.

Limited English Proficiency (LEP): Limited English Proficiency means persons who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English, and may be entitled to language assistance with respect to a particular type of service, benefit, or encounter. Note that for the purposes of gathering data for those with LEP, DCA used the U.S. Census definition as any individual who speaks a language at home other than English as their primary language, and who speaks or understands English "not well" or "not at all".

Limited clientele: As the name implies, limited clientele are those people that benefit from specific services usually delivered at a particular location. For example, people that receive health services at a county health department are the "limited clientele" of that health department. HUD has determined that

for purposes of meeting the CDBG national objective of benefiting low- and moderate-income persons, certain limited clientele can be assumed to be low- and moderate-income without detailed income records. This designation is limited to people qualified to attend facilities constructed with CDBG funds that serve abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. Income records must be available for all other limited clientele beneficiaries, such as clients of Public Health facilities, Boys and Girls Clubs, etc., and those income records must demonstrate that at least 70 percent of the limited clientele are low-to moderate-income people.

Liquidated Damages: Liquidated damages refer to contract provisions requiring payment of a fixed sum, usually accruing on a daily basis, when certain contract time-related provisions are not met. In CDBG contracts, liquidated damages are assessed due to non-completion of a construction project in the time period specified in the contract in the absence of excusable delays. DCA encourages the use of liquidated damages in CDBG-funded construction contracts to encourage timely performance. ***Proceeds from liquidated damages are considered program income.***

Low- and Moderate-Income (also L/M income or LMI): At least 70 percent of the persons benefiting from CDBG projects, (with some exceptions) must be members of a family or household whose total gross family income is less than 80 percent of an area's median family income adjusted for family size. HUD publishes these limits on an annual basis and the most recent limits are available on the HUD web site at: https://www.huduser.gov/portal/datasets/il/il16/index.html. See also Appendix B. **Note that housing activities must benefit 100 percent low- and moderate-income persons.**

Manufactured "Mobile" Home: A manufactured home (formerly known as a mobile home) is built to the Manufactured Home Construction and Safety Standards (HUD Code) and displays a red certification label on the exterior of each transportable section. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis.

Method of Distribution (MOD): MOD is a description of the rating and ranking criteria for all CDBG Programs. Please refer to the section of this manual entitled Application Review Process. Section 104 of the Housing and Community Development Act of 1974, as amended, requires States to have a method of distribution for allocation of funds to units of general local government.

Modular Home: A housing unit constructed off-site in pieces (modules) using traditional building materials that meets or exceeds all applicable State and local building codes, then transported to the building site where the modules are joined to form a complete housing unit on a slab or foundation. A modular home is generally considered "real property".

National Objective: The Housing and Community Development Act of 1974, as amended, sets forth three general National Objectives. Every CDBG award must address at least one of the following objectives through the activities undertaken by the project: 1) benefiting low- and moderate-Income persons; 2) preventing or eliminating slums or blight; and 3) meeting urgent needs

National Environmental Policy Act (NEPA): NEPA mandates a framework and procedures that Federal agencies (including States and local governments that receive CDBG) must implement to consider all reasonably foreseeable environmental effects of their proposed actions and to involve the public in and inform the public about these environmental effects. Under the State CDBG Program, for ANY project where a local government fails to properly implement the NEPA procedures prior to undertaking a CDBG project, DCA is generally mandated to find that project "ineligible" for reimbursement with CDBG funds.

Office of Fair Housing and Equal Opportunity: The Office of Fair Housing and Equal Opportunity administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice. Particular activities carried out by the Office of Fair Housing and Equal Opportunity include implementing and enforcing the Fair Housing Act and other civil rights laws, including Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Architectural Barriers Act of 1968.

Pre-Agreement Cost Approval (PACA): CDBG regulations and DCA policy allow potential applicants to request "pre-agreement cost approval" (PACA) from DCA that authorizes the potential applicant to commence project activities and maintain project timetables while applying for CDBG assistance. Upon DCA's issuance of pre-agreement cost approval, a project may move forward prior to submission of an application or award of funds while maintaining eligibility. See the section of this manual entitled Pre-Agreement Cost Approval (PACA) for further details.

Qualified Local Government (QLG): QLG means a county or municipality which: 1) has a comprehensive plan in conformity with required minimum standards and procedures (and Capital Improvement Element Updates consistent with the Development Impact Fee Compliance Requirements, where appropriate); 2) has established regulations consistent with its comprehensive plan and with the required minimum standards and procedures; and 3) has not failed to participate in DCA's mediation or other means of resolving conflicts in a manner which, in the judgment of DCA, reflects a good faith effort to resolve any conflict. Further, pursuant to O.C.G.A. §13-10-91(b)(7), governments that fail to provide the Georgia Department of Audits and Accounts (DOAA) with sufficient documentation of their participation in the federal government's "federal work authorization program" ("E-Verify) 13-10-91(b)(7) forfeit their "Qualified Local Government" (QLG) status. For further information and for the Qualified Local Government status of Georgia's cities and counties, see DCA's web site at: http://www.georgiaplanning.com/planners/planreview/.

Regional Commission (RC): Located in each of the 12 service regions across Georgia, these centers provide planning, grant writing and economic development assistance to local governments, usually under contract.

Regional application: An application that includes applicants in *more than one county*, including city and county applicants. Regional applications apply to projects benefiting a multi-county region.

Section 104(d): Refers to Section 104(d) of the Housing and Community Development Act of 1974. See 24 CFR Part 42. Requires the replacement of demolished, vacant-occupiable, and occupied low- and moderate-income housing (one-for-one replacement) as well as a higher level of relocation assistance payments for displaced low- and moderate-income tenants.

Section 3: This provision of the 1976 HUD law that requires CDBG recipients to make a "good faith effort" to employ lower income residents of "project areas" and to direct business opportunities to such owners of businesses.

Section 8: Housing Assistance Payments Program, authorized by the Housing and Community Development Act of 1974.

Section 106: Section 106 of the National Historic Preservation Act that requires CDBG recipients and other federal programs to consider the possible effects of 'federal programs' on historic buildings and neighborhoods, including archeological resources. Regulations implementing Section 106 are issued by the Advisory Council on Historic Preservation, and, in Georgia, the Department of Natural Resources, Historic Preservation Division (DNR/HPD) is the designated State Historic Preservation Office (SHPO).

Section 504: A provision of the 1976 HUD law that requires facilities and programs receiving HUD assistance to be accessible to persons with a disability.

State Statutory/Regulatory Requirements: Also, generally, those local governments that have complied with all necessary requirements to maintain eligibility for state funding, including the Service Delivery Act (HB 489), the Local Government Audit Act, the DCA Local Government Finance Report requirements, the DCA Government Management Indicators Survey (GOMI) as required by O.C.G.A, 36-81-8, and the requirements of O.C.G.A 13-10 and O.C.G.A 50-36 (Georgia's Immigration Registration and Reporting Requirements). For further information regarding the status of Georgia's cities and counties regarding the Service Delivery Act, the Government Management Indicators Survey, and the Report of Local Government Finance, see DCA's web site at:
http://www.georgiaplanning.com/planners/planreview/.

Stick/Site Built Home: A housing unit built on-site using traditional building materials and methods that meet or exceed all applicable State and local building codes.

Tiered Environmental Review: CDBG environmental review procedure when sites are not designated at the applicant stage.

Uniform Relocation Act (URA): Also known as the Uniform Act, this is the short title of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. This law and its regulations issued by U.S. DOT (49 CFR Part 24) set requirements for how property, including easements, is acquired for federally assisted projects and sets forth minimum standards for assistance for persons and businesses displaced by federally assisted projects. See also "Barney Frank" amendments. DCA is required to monitor each CDBG recipient's compliance with applicable requirements.

Voluntary Compliance Agreement (VCA): An agreement between HUD and a HUD grantee in order to address issues identified by HUD as part of its monitoring responsibilities and in order to resolve findings without the necessity of a formal evidentiary hearing or other judicial process.

Deadlines

Annual Competition Application	Postmarked or Received No Later than April 2, 2018
Revitalization Area Strategy Application	Postmarked or Received No Later than April 2, 2018
Exceptions to the "Every Other Year" Rule	April 2, 2018
Applicants must have a current Water First, Plan First, or GICH designation as of April 2, 2018.	
Timeliness Deadline, including RLF compliance	July 2, 2018
Deadline for Submission of Bonus Point Documentation*	July 2, 2018
Deadline for RLF Compliance	July 2, 2018
Submission of RLF Closeout for Bonus Points	July 2, 2018
Proposed CDBG Project must be included in Service Delivery Strategy	August 3, 2018
The Service Delivery Act (HB 489)**	August 3, 2018
QLG/Comprehensive Planning**	August 3, 2018
DCA Local Government Finance Report requirements	August 3, 2018
Government Management Indicators Survey	August 3, 2018
Local Government Audit Act	August 3, 2018

Note that other information, restrictions and requirements concerning the deadlines noted above are located in this manual and may be critical in the submission of a competitive application.

*Annual Competition applications are required to be complete at the time of submission on April 2, 2018 except that additional documentation may be submitted for bonus points or leverage until July 2, 2018.

**Those local government applicants that are not in compliance with QLG and the Service Delivery Act (including having the proposed CDBG project included in the Service Delivery Strategy) as of August 3, 2018 will not be eligible to receive funding.

Updates and Important Reminders

Applicants are responsible for understanding the contents of the entire manual. In this section, DCA has summarized recent updates and important changes. Please note that more minor changes may not be highlighted here. Also, please carefully read the forms and the instructions for the forms, in their entirety.

New Forms: New forms are included and must be prepared and submitted with the CDBG application. These are: 1) Civil Rights Compliance Certification—Prepare and submit; 2) Evidence of Compliance with System for Award Management (SAM)—See sample provided and submit; 3) Acknowledgement of Subrecipient Language Access Plan Requirement—Prepare and submit; and 4) Language Access Plan Threshold Certification—Prepare and submit. The Language Access Plan Threshold Certification form is designed to determine whether an applicant's pre-award public hearing must be advertised in English and another language (most often Spanish). Please review and prepare the form and submit with the application. If in completing the form, the applicant's jurisdiction includes a population of more than 5% LEP persons in a single language or 1,000 or more LEP persons in a single language, the pre-award public hearing must be published in the applicable language. ***See Appendix T for a copy of the pre-award public hearing notice in Spanish.***

Service Delivery Strategy (O.C.G.A. §36-70-20): State law requires that all projects funded be consistent with the community's adopted Service Delivery Strategy (O.C.G.A. §36-70-20). The appropriate citation of the Strategy along with attachments and service area maps should be included in the application, along with a signed certification that the project is consistent with the Strategy. Maps should include the project area, or facility, in relation to the approved service area for that activity. ***If the project is not covered by the adopted Strategy by August 3, 2018, it will not be eligible for funding. Note that certain types of applications are not routinely included in Service Delivery Strategies. These may include Senior Centers, Boys and Girls Clubs and other types of services to limited clientele.***

Guide to Acceptable Survey Methodology: The *Guide to Acceptable Survey Methodology* has been updated to prohibit the use of a "random" start for the initiation of a survey. A random number generator must be used when selecting the households to be surveyed. See Appendix C for further details.

Note that generally units of government funded in the FFY 2017 Annual Competition (whether individually or jointly submitted, and including projects funded with funds other than FFY 2017 funds) may not apply for FFY 2018 CDBG funding. Please note these recent additions to the exceptions to this requirement: 1) This restriction does not apply to any local government officially designated by DCA as a PlanFirst community. A PlanFirst community is defined as a county or city government that has a current "PlanFirst" designation with DCA as of April 2, 2018. 2) This restriction does not apply to any local government officially designated by DCA as a Georgia Initiative for Community Housing ("GICH") community. A GICH community is defined as any county or city government that is part DCA's three-year program of collaboration and technical assistance related to housing and community development as of April 2, 2018. This restriction does not apply ***only if*** the 2018 CDBG application involves a housing component. ***Keep in mind that all other requirements including timeliness and RLF compliance continue to apply.***

RLF Compliance: If the local government submitting an Annual Competition CDBG application also has an open EIP/RDF Local Revolving Loan Fund, the RLF must be in compliance by July 2, 2018 for

the application to be eligible for award. RLFs can be out of compliance in three different ways: 1) Their Semi-Annual report is not up to date, i.e. submitted within 30 days of the end of the reporting period; 2) The Fund has more cash on hand than the greater of a) $125,000 or b) 30% of total assets; 3) The Fund has not made a loan or grant within the past five years. The out of compliance RLFs must either be brought into compliance or closed by July 2, 2018 for the CDBG Annual Competition application to be eligible to receive funding.

Concentration Map Requirement: DCA has long required concentration maps from the applicant jurisdiction that show concentrations of minorities, low- and moderate-income, and housing deficiencies. This year, DCA is requiring that concentration maps be prepared using DCA's online mapping tool. Please see this tool at: http://georgia-dca.maps.arcgis.com/home/. This will generate consistent maps from applicants that will allow each applicant to respond to its jurisdiction's concentrations. ***All applicants must create these maps using DCA's online tool, and keeping their concentrations in mind, should include on DCA-5 a narrative that indicates how and why the applicants' target areas were chosen.***

Updated Section on Basic Compliance Rules for CDBG: The section on Basic Compliance Rules for CDBG has been updated to include further details on Civil Rights/Fair Housing Equal Opportunity (FHEO). The section includes a listing of the Civil Rights Laws and Executive Orders that apply to the CDBG program as well as further details on the following topics: 1) Section 3; 2) Affirmatively Furthering Fair Housing; 3) Section 504; and 4) Limited English Proficiency (LEP). ***At the end of the section on Basic Compliance Rules will be information about how to address the Basic Compliance Rules in your CDBG application. Also note the updated Sample Public Hearing Notice.***

Appendix R: Appendix R entitled "Recent DCA FHEO Policy Updates" includes DCA's Section 3 Policy (updated October 1, 2017), Section 3 Solicitation Package, Local Subrecipient Language Access Plan Template, and Local Subrecipient Language Access Plan Guidance. The Template and Guidance include important information for jurisdictions where LEP populations exceed the threshold for additional language translation services for certain public notices. In order to view DCA's Language Access Plan, please go to the following link: http://www.dca.state.ga.us/main/downloads/DCA_LAP.pdf. DCA's Language Access Plan (LAP) may be used as a reference, but the Template and Guidance in Appendix R will be the primary documents needed in order for recipients of CDBG funds to meet their LAP obligations.

Buildings/Limited Clientele Applications: Under Feasibility, applicants for buildings must provide additional information regarding ownership, leasing and building maintenance arrangements. Please see the Feasibility section of the Application Review Process for further details.

Revitalization Area Strategies (RAS) Change: The RAS manual has been updated to provide for clarifications and to require that RAS areas be amended no more often than every three years upon application for renewal status. In addition, RAS will allow surveys to be used to document the 20 percent poverty requirement for block groups. See the RAS manual and Appendix C for further details.

Change in Demographic Scoring: All applicants will be compared to each other to establish demographics scores. Otherwise, the method for establishing demographic scores remains the same as in previous years.

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 of Science Baccalaureate degree or higher and three years of fulltime relevant experience; or
  - The equivalent of 10 years relevant experience.

Requirement to Consult with Native Americans: On June 15, 2012 HUD published a Notice that states the 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 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:

http://portal.hud.gov/hudportal/documents/huddoc?id=env_notice_tribe_con.pdf

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

http://portal.hud.gov/hudportal/documents/huddoc?id=7015.15.doc

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

https://www.hudexchange.info/programs/environmental-review/

Timeliness Criteria for the 2018 Annual Competition Cycle: These criteria replace the 80/20 rule that has been used during previous competitions to evaluate progress on previously funded CDBG grants. DCA will review these criteria during the later stages of application review ***(usually around July 1st)*** to determine the eligibility of communities that have submitted a 2018 Annual Competition application and also have open CDBG grants.

- For Annual Competition applications funded in 2017, the following criteria should be met:
  - Must meet one of the exceptions to the "every other year" rule as outlined under *Restrictions on Eligibility for Competition* below.
  - All Special Conditions should be cleared.
  - DCA should have released funds.
  - For public facility, multi-activity, or economic development projects, all engineering design work must be finalized, complete and submitted to the cognizant agency for review.
  - For housing or multi-activity projects, the local policies and procedures must have been submitted to DCA for review.

- For Annual Competition applications funded in 2016, the following criteria should be met:
  - Sixty percent of budgeted funds should be drawn down and spent.

- For Annual Competition applications funded in 2015 or earlier, the following criteria should be met:
  - One hundred percent of budgeted funds should be drawn down and spent.

Administration Allowed as Cash Match. DCA will allow reasonable percentages and dollar amounts for general administration to be counted as cash match under the FY 2018 Annual Competition. Also, reasonable percentages and dollar amounts may be used for general administration and counted as leverage over and above any required cash match.

Appendix O – DCA Notice to the Field: Clarifications for the Annual Competition and Ineligible Procurement Practices. Although not new for FY 2018 funds, applicants need to peruse the appendix, especially if preparing water or sewer applications. This appendix makes clear that applicants, especially water and sewer applicants or other applicants that are proposing activities that will generate operating revenue, must thoroughly discuss **financial alternatives** to CDBG funding. For example, applicants should discuss their ability/lack of ability to borrow funds for the project from other sources, the impact of borrowing funds on local government finances and *especially* on low- and moderate-income households. DCA currently uses the standard that water charges of .7% or greater of median household income and sewer charges of .7% or greater of median household income begin to demonstrate a significant local effort in meeting water/sewer infrastructure needs. Applicants should also bear in mind that local government participation in the Georgia Environmental Facilities Authority (GEFA) water and sewer rate survey is critical in allowing DCA to evaluate proposed financial alternatives. The results of recent GEFA surveys may be viewed at the following link: http://www.efc.sog.unc.edu/reslib/item/georgia-water-and-wastewater-rates-dashboard#. Also, applicants should bear in mind that DCA review panels have access to this survey information.

Appendix P – Section 3 Requirements and Guidelines for Implementation. Applicants need to read and understand this appendix in order to be able to discuss these requirements on DCA 5. Note that "first source" hiring agreement will be emphasized as a good way to implement Section 3 requirements. See also Appendix R for DCA's current Section 3 Policy.

Drainage Standards. DOT standards identify a 25-year flood design standard for local road drainage improvements. Standards greater or less than 25 years must be explained and justified in the CDBG application.

Revitalization Area Strategy (RAS) Deadlines. For FY 2018 funds, all RAS applications, annual updates, or renewals must be submitted in full no later than April 2, 2018 in order for RAS benefits to be applicable to the 2018 Annual Competition, including but not limited to the ability to apply for CDBG funds in RAS areas every year and bonus points.

Applicants are responsible for understanding the contents of the entire manual. In this section, DCA has summarized important changes for FY 2018. Other more minor changes for FY 2018 may not be highlighted here. Also, read the forms and the instructions for the forms in their entirety. Additional important information may be included in these as well.

Section 3. Applicants applying for FY 2018 funds should discuss plans for implementing Section 3 requirements along with other applicable laws and regulations (e.g., the Uniform Act) that may affect program implementation or administration. This should be discussed on DCA 5 and demonstrate an understanding of Section 3 in accordance with the material provided in Appendix P and Appendix R. 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.

Sole Source Approvals. 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 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.

Water and Sewer Hookups. HUD has made clear that water and sewer hookups on private property cannot be paid for with CDBG funds unless the household served is low- to moderate-income. Therefore, DCA requires adherence to the following policies regarding water and sewer hookups:

- In accordance with HUD requirements, DCA will not allow CDBG funds to be used on private property unless the household served is low- to moderate-income.
- For FY 2018 applications, applicants should discuss how water and sewer hookups, water and sewer service line replacements, and septic tank closures on non-low- to moderate-income private property will be paid for in order to increase the likelihood of a maximum score. **Note** that water and sewer laterals from the street to the private property line are eligible CDBG expenses regardless of income.
- For FY 2018 applications, applicants should indicate that all target area occupied households will be connected to the CDBG-proposed improvements (and all septic tanks properly closed, if applicable) in order to increase the likelihood of a maximum score.
- DCA will accept as documentation of low- and moderate-income status area surveys that are three years old or less. Applicants should require additional documentation of low- and moderate-income status at the time of project implementation.
- Applicants may decide whether to use their own funds to pay for non-low- and moderate-income hookups or to require property owners to pay for their non-low- and moderate-income hookups.
- **Note that if local funds are used to pay for non-low- and moderate-income hookups, these funds, if properly documented and committed, will be counted as match or leverage.** Local governments opting to pay for non-low- and moderate-income hookups may wish to check with their local attorney prior to proceeding.

A Note on CDBG Flexibility. CDBG has always been a flexible program allowing local governments to choose among a variety of activities in order to address local priorities and needs. DCA encourages the full use of this flexibility by allowing applicants to apply for the full range of eligible CDBG activities under the Annual Competition. This includes economic development projects. Although meeting the low- and moderate-income national objective has been the primary focus of most communities under the Annual Competition, applicants may also pursue the removal of slum and blight objective as well. The removal of slum and blight objective is best pursued through projects that deliver significant low- and moderate-income benefit. Note that regardless of the national objective or activities chosen by the applicant, the application must compete against other applications with similar activities and objectives.

Block Group ID. Applicants must provide the following geographic identifiers for the Target Area on DCA 1: Block Group ID (State Code, County Code, Census Tract and Block Group) Target Area Address (with city, and zip), and the Target Area Longitude and Latitude. Both the Block Group ID and Longitude and Latitude are available on the DCA Concentration Maps. This requirement has been added because HUD is now requiring this information in order to be able to show graphically where CDBG activities are taking place around the country. DCA requires Block Group ID information for all geographic areas included within the target area. See the directions for DCA-1 for further information. Applicants may look up addresses' census tract, block group, and block numbers at http://georgia-dca.maps.arcgis.com/home/index.html or for additional information also please see the following census web site: http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml.

Emphasis on Quality Infill Housing. Many housing or multi-activity CDBG applications propose reconstructions of dilapidated houses. Replacing these dilapidated units with standard housing greatly benefits the affected households. Replacing these dilapidated units with standard housing that also enhances the neighborhood creates lasting value for the household and the community.

Engineering and Architectural Reports. Preliminary Engineering Reports (PERs) and Preliminary Architectural Reports (PARs) are often the heart of many CDBG applications. Please remember to review carefully the section of the manual entitled *Making Your Application More Competitive*. Note that many street and drainage PERs are not including preliminary hydrologic and hydraulic *calculations*. These calculations are critical for DCA's review of these projects. The calculations assist in determining the need for improvements and the appropriateness of the proposed solutions to those needs. ***Scores will be reduced if preliminary calculations are not provided.*** *Also, some PERs are not including maps that show existing and proposed infrastructure along with existing and proposed pipe sizes. These maps are critical to DCA's review of project proposals. Some Preliminary Architectural Reports (PARs) are not including existing floor plans with overall and room-by-room dimensions along with current use by room. Scores may be reduced if the information in this paragraph is not provided.*

Guidance for Preparation of Preliminary Architectural and Engineering Reports. Because the quality of Preliminary Engineering Reports and Preliminary Architectural Reports vary by applicant, DCA has provided detailed guidance concerning what should be included in these reports.

Maps. 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. For additional information, the following web site may be helpful: http://www.mapcruzin.com/satellite-aerial-photos-maps/msr-maps-terraserver.htm. **Submitting USGS maps with an application does not relieve the applicant from meeting all map requirements listed in DCA-12. All applications must include maps that meet the requirements of DCA-12. Some applicants last year did not submit all required maps per DCA-12. Omission of required maps could result in reduced scores. Please read DCA-12 carefully for complete instructions. In addition, applicants should provide complete source information on all maps. All applicants, regardless of the type of application submitted, must submit a map where the target area, or facility, is located in relation to the jurisdiction's Service Delivery Strategy for that activity.**

Photographs. All sets of photographs provided with the original and copies of each application should be in color, dated, and keyed to a map clearly showing views of the entire target area, its overall land use, and areas and properties of particular concern. Just as surveys must be representative of the target area, photographs must be also. Photos should be numbered, dated and keyed to a street map.

Pre-Agreement Cost Approval (PACA). Because projects often run on schedules that are time-sensitive, CDBG regulations and DCA policy allow potential applicants to request pre-agreement cost approval (PACA) from DCA that authorizes the potential applicant to commence project activities and maintain project timetables while applying for CDBG assistance. Upon DCA's issuance of pre-agreement cost approval, a project may move forward prior to submission of an application or award of funds while maintaining the eligibility of the activities that take place prior to submission of an application and receipt of a grant award.

DCA *strongly recommends* that potential applicants contact DCA (through its Office of Community Development in Atlanta) to discuss pre-agreement cost approval prior to submission of a written request for pre-agreement cost approval. See the section of this manual entitled Pre-Agreement Cost Approval for further information.

IN NO EVENT WILL PRE-AGREEMENT COST APPROVALS ISSUED BY DCA ENSURE DCA FUNDING FOR THE REQUESTED PROJECTS. THE DCA ANNUAL COMPETITION IS VERY

COMPETITIVE AND PRE-AGREEMENT COST APPROVAL DOES NOT IN ANY WAY INCREASE AN APPLICANT'S COMPETITIVENESS. ALL COSTS INCURRED BY APPLICANTS PRIOR TO THE CDBG AWARD DATE ARE AT THE APPLICANTS' OWN RISK. HISTORICALLY, ONE-HALF TO TWO-THIRDS OF CDBG APPLICANTS ARE NOT AWARDED FUNDS.

Procurement by RCs. RCs that wish to subcontract directly with private consultants must use the appropriate procurement procedures outlined in this manual and follow the requirements of 2 CFR 200.320 before entering subcontracts with private consultants. Alternately, 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.

Timeliness Requirements. All CDBG recipients are expected to expend one hundred percent (100%) of all funds within **twenty-four (24)** months **from the date of the grant award** made by DCA. The Department of Community Affairs reserves the right to recapture all unobligated funds after the twenty-four month period *and to restrict an applicant from submitting a CDBG application (or if submitted, DCA may not make an award) whenever an unacceptable level of funding under a current grant remains unspent or unobligated.* DCA will review previous grantee progress during the rating and ranking period. (See Timeliness Criteria under the section on Recent Updates and Important Reminders and Restrictions on Eligibility for Competition.) Consult with DCA prior to application submission if the applicant anticipates that the above criterion will not be met during the rating and ranking period.

Submission. DCA encourages applicants to contact staff for technical assistance in the preparation of their applications. DCA staff will do its best to respond in a timely manner to these requests. We encourage applicants to seek advice from various DCA staff resources as well as RCs, private grant consultants, and architectural and engineering firms.

Technical Assistance and Other DCA Rulings Regarding Application Preparation and consultants and engineers and architects when preparing applications. If a question is critical to the eligibility or competitiveness of an application and this manual does not clearly provide an answer to the question, please contact DCA in writing b*efor*e the application deadline for a response.

For Questions About:	Contact:	Phone:
Departmental Policy	Rusty Haygood, Deputy Commissioner for Community Development and Finance	404-679-3152
Division Policy	Joanie Perry, Division Director for Community Finance	404-679-3173
CDBG Annual Competition Applications	Steed Robinson, Director of Community Development	404-679-3168
	Glenn Misner, Director of Field Services	404-679-3138
Neighborhood Revitalization Applications	Glenn Misner, Director of Field Services	404-679-3138
Economic Development Applications	Brock Smith, Manager, Office of Economic Development	404-679-1744

PART I: GENERAL INFORMATION

Eligible Program Applicants

- Units of general-purpose local government (cities or counties) that do not participate in HUD's

CDBG Entitlement or Urban County program.

Ineligible Program Applicants

Note that the entities below receive their CDBG funding directly from HUD. Also note that the list below is based on the federal fiscal year 2017 funding for HUD. Because the federal fiscal year 2018 funding for HUD has not been established, this list is subject to revision.

- The cities of Albany, Atlanta, Brunswick, Dalton, Gainesville, Hinesville, Marietta, Rome, Roswell, Sandy Springs City, Savannah, Smyrna City, Valdosta, and Warner Robbins.
- Cherokee County, Clayton County, Cobb County, DeKalb County, Fulton County, Gwinnett County, and Henry County,
- The consolidated governments of Athens/Clarke County, Augusta/Richmond County, Columbus Consolidated Government, and Macon/Bibb County.
- Any incorporated city within a HUD Entitlement Urban County that has chosen to participate with the Urban County through a Cooperating Agreement.

Eligibility Requirements

- Applications may be submitted individually by one unit of general-purpose local government, or jointly or regionally, by two (2) or more units of general-purpose local government.
- Only one single or multi-activity application per general-purpose local government, whether individually, jointly, or regionally submitted, shall be eligible for the Annual Competition per CDBG federal funding allocation.
- Only one single or multi-activity award under the Annual Competition per CDBG federal funding allocation may be received by any general-purpose local government, whether individually, jointly, or regionally submitted.

Under State statutes, applicants must comply with State planning and financial reporting laws. These laws include:

- The Georgia Planning Act,
- The Service Delivery Act (HB 489),
- Government Management Indicators Survey
- DCA Local Government Finance Report requirements, and
- Local Government Audit Act.

In certain instances of non-compliance, these laws prohibit the Department of Community Affairs from providing grant assistance. For information on a community's Qualified Local Government Status (QLG), i.e., the status of a community's compliance with the first four requirements listed above, please go to the following web site: http://www.georgiaplanning.com/planners/planreview/default.asp. For information on a community's compliance with the Local Government Audit Act, please contact Jacqueline E. Neubert at the Georgia Department of Audits at (404) 651-8938 or neubertj@audits.ga.gov or see the following link:. http://www.audits.ga.gov/NALGAD/Local_Government_Audits.html.

Restrictions on Eligibility for Competition

The following restrictions may affect 2018 CDBG Annual Competition applications:

a) All CDBG recipients are encouraged to expend one hundred percent (100%) of all funds within **twenty-four (24) months from the date of the grant award** made by DCA. The

Department of Community Affairs reserves the right to recapture all unobligated funds after the twenty-four month period *and to restrict an applicant from submitting a CDBG application (or if submitted, DCA may not make an award) whenever an unacceptable level of funding under a current grant remains unspent or unobligated.* DCA will review previous grantee progress during the rating and ranking period. Please see DCA's timeliness criteria below. Consult with DCA prior to application submission if the applicant anticipates that DCA's timeliness criteria will not be met during the rating and ranking period.

Timeliness criteria for the 2018 Annual Competition cycle: These criteria replace the 80/20 rule that has been used during previous competitions to evaluate progress on previously funded CDBG grants. DCA will review these criteria during the later stages of application review ***(usually around July 1st)*** to determine the eligibility of communities that have submitted a 2018 Annual Competition application and also have open CDBG grants.

- For Annual Competition applications funded in 2017 the following criteria should be met:
  - Must meet one of the exceptions to the "every other year" rule as outlined under b) below.
  - All Special Conditions should be cleared.
  - DCA should have released funds.
  - For public facility, multi-activity, or economic development projects, all engineering design work must be finalized, complete and submitted to the cognizant agency for review.
  - For housing or multi-activity projects, the local policies and procedures must have been submitted to DCA for review.

- For Annual Competition applications funded in 2016, the following criteria should be met:
  - Sixty percent of budged funds should be drawn down and spent.

- For Annual Competition applications funded in 2015 or earlier, the following criteria should be met:
  - One hundred percent of budgeted funds should be drawn down and spent.

RLF Compliance: If the local government submitting an Annual Competition CDBG application also has an open EIP/RDF Local Revolving Loan Fund, the RLF must be in compliance by July 2, 2018 for the application to be eligible for award. RLFs can be out of compliance in three different ways: 1) Their Semi-Annual report is not up to date, i.e. submitted within 30 days of the end of the reporting period; 2) The Fund has more cash on hand than the greater of a) $125,000 or b) 30% of total assets; 3) The Fund has not made a loan or grant within the past five years. The out of compliance RLFs must either be brought into compliance or closed by July 2, 2018 for the CDBG Annual Competition application to be scored.

**Those local government applicants that are not in compliance with QLG and the Service Delivery Act (including having the proposed CDBG project included in the Service Delivery Strategy) as of August 3, 2018 will not be eligible to receive funding.

b) Generally, units of government funded in the FFY 2017 Annual Competition (whether individually or jointly submitted, and including projects funded with funds other than FFY 2017 funds) may not apply for FFY 2018 CDBG funding. (See also the timeliness criteria

above.)

Exceptions: *This restriction does not apply to* local governments that propose CDBG projects ***within*** a current, approved Revitalization Area Strategy area (Application dated no later than April 2, 2018.) See the *Revitalization Area Strategy Manual, 2018 edition*, for further information.

This restriction does not apply to the Immediate Threat and Danger Program, the Employment Incentive Program, the CDBG Loan Guarantee Program, or the Redevelopment Fund.

This restriction does not apply to communities currently designated by DCA as a "Water First Community" as of April 2, 2018. Water First communities must propose water improvements as the primary purpose of the grant in order to apply annually. The current listing of DCA-designated Water First Communities may be found at DCA's web site at http://www.dca.ga.gov/development/PlanningQualityGrowth/programs/WaterResourcesTechnicalAssistance.asp.

This restriction does not apply to any local government officially designated by DCA as a PlanFirst community. A PlanFirst community is defined as a county or city government that has a current "PlanFirst" designation with DCA as of April 2, 2018.

This restriction does not apply to any local government officially designated by DCA as a Georgia Initiative for Community Housing ("GICH") community. A GICH community is defined as any county or city government that is part DCA's three-year program of collaboration and technical assistance related to housing and community development as of April 2, 2018. This restriction does not apply ***only if*** the 2018 CDBG application involves a housing component.

c) Regional applicants meeting the requirements of this manual (see the Special Requirements section below) may apply annually.

d) Currently, there are no designated enterprise communities in the State of Georgia that are eligible to apply for CDBG funding on an annual basis.

e) Recipients of prior CDBG funding must resolve all outstanding audit and/or monitoring findings before submission of an application to DCA.

Special Requirements

Joint Applications

Joint applications are generally required when less than 51 percent of the beneficiaries are located within the jurisdiction of the applicant unit of general-purpose local government. Activities may serve beneficiaries outside the jurisdiction of the applicant, provided the unit of general-purpose local government has identified such a need as an overall community-wide housing and community development need and 51 percent or more of the beneficiaries are located within the applicant's jurisdiction. Exceptions may be made in writing by DCA on a case-by-case basis using guidance provided by law and regulation, the applicable local service delivery strategy, and written support for the exception from the county government. **Please consult with DCA for guidance concerning the need for joint applications. Requests for exceptions should be made to DCA as early as possible and no later than March 1, 2018.**

Joint Applications must include:

- 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 lead applicant. A sample cooperating agreement is included as Form DCA-11 of this manual.

- Separate "Certified Assurances" (Form DCA-10) for each jurisdiction.

- 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.

Regional Applications

- Regional applications are intended to allow an applicant to address problems and apply for a project benefiting a multi-county region. In order to encourage regional solutions, successful local applicants for regional projects (including all local applicants that are part of a regional application) will not be required to "sit out the next competition" and may apply the following year for a different or new project provided DCA timeliness criteria are met.

- Regional applications must meet the *Special Requirements for Joint Applications* outlined above. In addition, Regional applications should include a letter(s) from the appropriate Regional Commission (RC) certifying that the project is consistent with any local and regional plans that exist and has multi-county benefits. Please contact DCA prior to submission for guidance.

"What is the difference between Joint and Regional applications?"

Joint applications are usually required when less than 51% of the beneficiaries reside in the primary applicant's jurisdiction. Regional applications apply to projects benefiting a multi-county region.

CHIP Applications

- Applicants seeking to combine CDBG and CHIP resources should contact Samanta Carvalho, Community HOME Investment Program manager, at Samanta.Carvalho@dca.ga.gov or (404) 404-679-0567. CFD will give consideration under the Strategy, Leverage, and Revitalization Area scoring components to CHIP resources devoted to CDBG target areas.

Eligible CDBG Activities

National Objective—Low-and Moderate-Income Benefit

All CDBG funded activities must be eligible under the Housing and Community Development Act of 1974 and must meet a National Objective. See Appendix A for a copy of Section 105 of the Act which enumerates eligible activities and Appendix D for a copy of 24 CFR Part 570.483 which sets forth the Criteria for meeting National Objectives.

Definition of Low- and Moderate- Income

***CDBG regulations specify the maximum income of program beneficiaries as summarized below*:**

- A low- and moderate-income (L/M income) person is defined as a member of a household having an income equal to or less than the Section 8 Housing Assistance Program low income limit established by the U.S. Department of Housing and Urban Development (HUD).

- A household includes, but is not limited to: a person who lives alone or intends to live alone, or two or more persons sharing residency whose income and resources are available to meet the household's needs and who are either related by blood, marriage, or operation of law, or who have a stable family relationship.

- The Section 8 income guidelines are available for each county 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. They are published each spring and are distributed by HUD and DCA. Refer to Appendix B for the most recently calculated income limits.

- Family income is defined as follows: "the anticipated gross income from all sources (except those specifically excluded by HUD) received by all family members 18 years of age and older, including those who are temporarily absent from the unit.

Each CDBG activity must meet the following minimum threshold requirements for low- and moderate-income benefit:

✓ Housing Activities:	100% benefit to Low- and Moderate-Income Persons
✓ Public Facilities:	70% Benefit to Low- and Moderate- Income Persons
✓ Economic Development:	51% Benefit to Low- and Moderate- Income Persons

Instructions for determining low- and moderate-income benefit are located in Part IV of this manual (Instructions for Form DCA-6). A sample low- and moderate-income survey is included in Appendix C. Applicants are reminded to include a complete description of the method used to determine benefit with Form DCA-6. Neighborhood surveys are the most reliable method for area benefit projects. Please refer to DCA's "Acceptable Survey Methodology" (Appendix C) publication for assistance in designing and implementing a sample survey.

In the case of buildings serving low- to moderate-income persons, do not "double count" clients. DCA is interested in the total number of people using the facility - not the number of visits to the facility. DCA counts the unduplicated number of beneficiaries over a year's time.

- Each activity listed in this section is eligible only to the extent to which it addresses the needs described on Form DCA-4 and benefits at least 70% (at least 51% for economic development and 100% for direct housing) low- and moderate-income persons. This determination must be satisfactorily demonstrated on Form DCA-6. Failure to adequately demonstrate low- and moderate-income benefit may lead to application denial.

Examples of eligible activities

***Examples of eligible activities include*:**

- **Supporting Fair Housing Activities** (See HUD Memorandums in Appendices M and N.)

- **Using CDBG Funds to Address the Challenge of Homelessness** (See HUD Memorandum in Appendix L.)

- **Acquisition of Real Property** in whole or in part by purchase, long-term lease, donation or otherwise by the applicant, another public agency, a non-profit, and/or private individuals and for-profits for the purpose of carrying out housing rehabilitation, economic development activities, public facilities, or other eligible activities.

- **Disposition** or costs incidental to disposing of property acquired with CDBG funds. Examples of eligible costs include appraisal, survey, marketing, legal, financial, transfer taxes, etc.

- **Public Facilities and Improvements**, including the acquisition, construction, reconstruction, rehabilitation and/or installation of the same. This activity includes, but is not limited to, water and sewer facilities, flood and drainage improvements, parking, streets, curbs, gutters, sidewalks, parks and playgrounds. Other activities may include the development of shelters for homeless, elderly, mentally ill, abused and impaired persons. Public facility activities may also include the development of medical, community, senior and handicapped centers, or centers for literacy training.

- **Clearance** costs within a "targeted area" generally include the demolition and removal of structures and other items (mobile homes, dilapidated houses, junk cars, etc.) to appropriate sites.

- **Interim assistance** to a deteriorating "target area" may include activities which are low-budget and otherwise ineligible such as pothole, lighting, fencing, sidewalk, street repair, etc. Interim assistance may also include special refuse collection, trimming and removal of trees and overgrowth, etc. Assistance under this activity is generally associated with a redevelopment project.

- **Relocation** or temporary relocation of families and individuals, businesses or other organizations. Relocation may be required by Federal law and regulation (the Uniform Relocation and Real Properties Acquisition Act of 1970, and pursuant regulations), or it may be "optional" and subject to local policy approved by DCA based upon need. *Temporary relocation activities associated with housing rehabilitation (including lead-based paint hazard control) or reconstruction should be budgeted within the appropriate activity line item (rehabilitation or reconstruction) on Forms DCA-7 and 8, not on the relocation budget line. Only permanent relocation activities should be included in the relocation line items on Forms DCA-7 and 8.*

- **Removal of Architectural Barrier** activity includes modifications to existing structures that are necessary to remove material and architectural barriers that restrict the mobility and accessibility of the elderly or handicapped to publicly or privately owned buildings, facilities or improvements.

- **Housing Rehabilitation** will utilize CDBG funds to finance the rehabilitation of public or private residential property, including the conversion of non-residential properties (in downtown commercial districts, etc.) for housing. **Rehabilitation of housing units built prior**

to 1978 must provide for compliance with lead based paint hazard control regulations (24 CFR Part 35). NOTE FOR MHU's: DCA limits the amount allowable for the rehabilitation of MHU's and proposed costs should not exceed a total of $7,000 (including CDBG funds AND owner/other contributions) for MHU units.

- **Reconstruction** of housing provided that it is (a) owner-occupied, and (b) the house proposed for reconstruction is "not feasible" for rehabilitation. The reconstructed unit must be built on the same parcel of land as the unit it replaces. Please consult DCA for detailed guidance if reconstruction is planned.

- **Homebuyer Assistance/Second Mortgage Assistance** can be used as a strategy to encourage homeownership. This tool can be used for assistance in providing help with down payment, second mortgage, loan closing and other related costs. In keeping with HUD policy "to improve the likelihood of continued affordability," homebuyer assistance requirements have been revised to support fixed rate loans. DCA encourages leverage (usually first mortgage) loans at a fixed rate of interest for a term that benefits the recipient of assistance—most often 30 years. Community Finance Division policy now requires DCA review of adjustable and/or variable rate mortgages and other flexible mortgage financing plans. Please see the guidance memorandum entitled *Determining Affordability of First Mortgages on Loans with CHIP or CDBG Assistance* published April 12, 2004 and the guidance memorandum entitled *Use of Adjustable Rate Mortgages, Variable Rate Mortgages or Other Flexible Mortgage Plans with CHIP or CDBG* published September 21, 2005. (See Appendix J.)

- **Code enforcement** related to the payment of salaries and overhead costs directly related to activities within a declining "target area."

- **Economic development** activities or assistance to "for profit entities," whether during the Annual Competition or through the Economic Development set-aside programs, generally take one of two forms:

  - ✓ direct loans to businesses/industry

  - ✓ public infrastructure in support of business/industry

- **Project related soft costs** including appraisal costs and cost related to reviews under the Programmatic Agreement or costs required for extraordinary environmental compliance.

- **Administrative costs** necessary to carry out a CDBG project. These costs include expenses for:

  - ✓ *General management, oversight and coordination.* This category refers to the direct costs of overall program management, coordination, monitoring and evaluation. It also includes similar costs associated with carrying out projects with multiple activities. (For example, salaries, related expenses and all other costs directly related to the overall management, oversight and coordination of a project with several activities, such as within a defined concentrated project area should be charged to this category).

  - ✓ *Indirect costs*. Costs associated with an approved cost allocation plan prepared in accordance with 2 CFR 200, Subpart E, Cost Principles, Section 200.414, Indirect Costs.

  - ✓ *Citizen participation.* Costs related to citizen participation in the planning, implementation and assessment of the program, including, but not limited to, the costs of providing program information to the public, providing technical assistance to citizens and citizen organizations, publishing notices, and holding hearings.

- ✓ *Reasonable costs of environmental studies* (including historic preservation clearances, project specific environmental assessments, and clearances for eligible activities) necessary to comply with Federal, State and local law, and other eligible administrative costs. (Please consult 2 CFR 200 for guidance.)

- ✓ *Translation services.* Please see DCA's Citizen's Participation and Language Access Plan requirements.

Administrative costs, however, do not include direct costs and other professional services directly related to design and implementation of an engineering or architectural project. These costs should be budgeted as part of each appropriate engineering or architectural line item. Such costs may include the preparation of cost estimates, land surveys, easement plats, pre-design meetings, preliminary construction drawings, permits and interagency approvals, construction drawings, pre-construction conferences, meetings with contractors/recipient staff, bid openings, contractor investigations, contract administration, inspections, training, & as-built drawings, etc. Other eligible administrative costs (generally not related to the design and construction services contract) may include archaeological studies, in-depth historic assessments, archival photographs, legal fees, title work, housing inspections, etc. Please consult DCA staff for budgetary guidance.

Ineligible Activities

Generally speaking, activities are ineligible if they do not meet HUD's National Objectives.

Examples of ineligible activities

Examples of ineligible activities:

- ✓ Acquisition of furnishings, movable equipment, machinery, and land write-downs

- ✓ Operating and maintenance expenses

- ✓ Construction of buildings for the general conduct of government

- ✓ Purchase of construction equipment

- ✓ Cost of furnishings and personal property associated with new construction

- ✓ Constructing new housing, creating a "secondary housing unit" (an in-law suite, etc.) attached to a primary unit; installing luxury items such as upgraded appliances, spas, pools, etc.; the cost of non-built-in equipment and furnishings (stoves and refrigerators are exceptions); and labor costs for homeowners themselves to rehabilitate their own property.

- ✓ An exception to the new construction prohibition may be granted whenever: 1) No comparable local resources exist and the community can demonstrate eligibility under *Last Resort* as defined under 49 CFR Part 24.404; or (2) a local government provides funding to a community-based housing development organization meeting the criteria outlined in HUD 24 CFR 570.204. DCA reserves the right to require additional market data and other development information prior to funding any new housing construction activities.

- ✓ Any form of direct grant assistance to a business or industry (for-profit entity) is ineligible.

Basic Compliance Rules for CDBG

This section of the CDBG Applicants' Manual describes some of the critical laws and regulations CDBG applicants must consider when planning a CDBG Project. Note that a complete list of applicable laws and regulations can be found in Appendix G.

It is the responsibility of the applicant's certifying official to ensure that the proposed program, activities, goals and timetables are in compliance with all applicable Federal and State laws, regulations and executive orders.

An important part of the application feasibility score is how well the proposal addresses compliance with applicable laws and regulations. Applicants should use the Description of Activity Form (DCA-5) to describe compliance actions to be undertaken by local government applicants and, if funded, grant recipients. ***Applications that fail to demonstrate compliance with applicable laws and regulation will lose points in the rating and selection process.*** If a CDBG grant is awarded, the Department of Community Affairs will provide local government representatives additional compliance training at the 2018 DCA Fall Conference.

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. Also, see DCA's Language Access Plan in Appendix R and the Manual's section on Basic Compliance Rules for CDBG for details regarding outreach to those with Limited English Proficiency. Also note the revised Sample Public Hearing Notice below.

As required by the Housing and Community Development Act, the Georgia Department of Community Affairs has adopted a written Citizen Participation Plan, available on the DCA website at http://www.dca.ga.gov/communities/CommunityInitiatives/programs/documents/CITIZENPARTICIPATIONPLAN2010_rev_060413.pdf

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

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

- 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 new proposals including identification of community needs and proposed activities. The applicant must furnish information including the estimated amount of funds proposed to be used for activities benefiting low- and moderate-income persons and its plan to minimize displacement and assist displaced persons.

- A notice advertising the public hearing must be published not less than five (5) calendar 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 is included on the next page.) Local governments are encouraged to take other actions to provide adequate notice to potentially interested persons.

A full five days must pass from the Public Notice publication date to the public hearing

date. The first full day is the day after the Notice is published. For example: If the Notice is published on a Thursday the earliest the Hearing can be held is the following Wednesday. Another example: The hearing is scheduled for a Friday afternoon. Counting backward, day one (1) is Thursday and day five (5) is Sunday. The notice must be in a paper earlier than Sunday, i.e.: Saturday's paper or earlier.

- Please note that those applicants from jurisdictions where 1,000 or more residents of a language group with limited English proficiency reside or where more than 5% of residents are from a language group with limited English proficiency must advertise the pre-award public hearing in the applicable language, usually Spanish. To determine whether either of these thresholds are met, please refer to the most recent data release of American Community Survey Table B16001 (Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over) and Table S1601 (Language Spoken at Home) published in December of each year. ***Please source all data provided to DCA. Please also use these tables to fill out the Language Access Plan Threshold Certification. See Appendix T for a copy of the pre-award public hearing notice in Spanish.***

- 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.

- Hearings must be held at times and locations convenient to potential or actual beneficiaries and with accommodations for the disabled. The needs of non-English speaking residents must be met for public hearings where a significant number of non-English speaking residents can be reasonably expected to participate. Contact DCA for any required assistance.

- Applicant files must contain documentary evidence that the actions listed in this section have been taken, including copies of actual notices and minutes of hearings.

- 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.*

- 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 funds as required by HUD regulations, state law, or DCA policy.

- **This section should not be construed to restrict the responsibility or authority of the local government for the development and execution of its community development program.**

- The applicant must certify in the Certified Assurances component of the application (Form DCA-10) that the requirements above have been met.

  Note: *Georgia Law requires that "all state, county and municipal records, except those which by order of a court of this state or by law are prohibited from being open to inspection by the general public, shall be open for a personal inspection of any citizen of this state at a reasonable time and place, and those in charge of such records shall not refuse this privilege to any citizen" (50-18-70, O.C.G.A.). This means that past and current records on the use of CDBG funds are required to be open for public inspection.*

Sample Public Hearing Notice

The (city or county) of (name of city or county) is considering applying to the Georgia Department of Community Affairs for a Community Development Block Grant of up to $(amount of funds). These funds must be used to primarily benefit low- and moderate-income persons.

The activities for which these funds may be used are in the areas of housing, public facilities, and 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 (if applicable). The (City or County) of (name of City or County) is committed to providing all persons with equal access to its services, programs, activities, education and employment regardless of race, color, national origin, religion, sex, familial status, disability or age. 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.]

The applicant must maintain detailed minutes of this hearing, a "tear sheet" or affidavit pertaining to the public notice and documentation as to whether or not meeting "special needs" was required and, if applicable, addressed.

Residential Anti-displacement and Relocation Assistance Plan

A unit of general local government receiving funds from the State must certify to the State that it has in effect and is following a residential anti-displacement and relocation assistance plan, and that it will minimize displacement of persons as a result of assisted activities. Relocation activities are subject to The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (46 U.S.C. 4601) and regulations at 49 CFR, Part 24. Additionally, Section 104(D) of the Housing and Community Development Act, as amended has two major requirements (see 24 CFR Part 42): (1) the one-for-one replacement of certain housing units demolished, or converted to non-low/moderate income status, as a direct result of a CDBG project, and (2) the expanded relocation assistance benefit payment for certain displaced tenants. This requirement will affect certain program design strategies of any applicant proposing housing demolition and/or relocation activities.

Programmatic Agreement on Historic Preservation

In 1997, the State Historic Preservation Office (SHPO), DCA, and the Advisory Council on Historic Preservation signed a Programmatic Agreement (PA) affecting all housing programs funded by DCA under CDBG. Whenever recipients are planning to rehabilitate potentially historic housing (any housing over 50 years old), the terms of the Programmatic Agreement will permit, within certain limits, local decision making about the manner in which such housing will be treated. All recipients are required to follow the terms of the Programmatic Agreement and to consult with local preservation professionals

whenever planned rehabilitation activities exceed a set of Exempt Activities stipulated in the Programmatic Agreement. **Note**: A copy of the Programmatic Agreement is included at Appendix I.

Acquisition of Property for Public Facility Projects

The Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended, and as implemented by DOT regulations 49 CFR Part 24, applies whenever a local government recipient of CDBG needs to acquire property, such as land for a building, easements, Right-of-Way (ROW) for public infrastructure such as water or sewer lines, street paving, or drainage improvements.

The basic requirements are:

- The property owner must be offered the Fair Market Value (FMV) of the property based on an appraisal;
- Prior to the purchase offer, owners must be provided with information concerning their rights under the law; and
- Donations are possible but only after the owner has been informed of the government's obligation to pay FMV and executes a waiver.

URA procedures must be followed for CDBG projects even if the local government recipient is using other federal funds, its own non-federal funds, or other non-federal funds to pay for the property.

Applicants should address the status of any property needed for the project using Form DCA-5. **Applicants who can identify the specific number of easements or parcels required and the property owners and specific costs based on land values at the time of the application may receive a higher feasibility score than those who are not ready to proceed with the acquisition process.**

Note on Eminent Domain

The State of Georgia in 2006 passed legislation (HB 1313) restricting the use of eminent domain by the political subdivisions of the state. Please note these restrictions when planning your CDBG project. For further information, please review HB 1313. This legislation amended portions of Titles 8, 22, 23, and 36.

Environmental Compliance

There are many federal and state environmental protection laws and regulations to consider when planning and implementing CDBG funded projects. It is important to note that compliance is often required for all funding sources, public and private, and for all components of the entire project. By planning at the application and predevelopment stages, CDBG recipients can avoid future compliance complications and time delays.

Form DCA-9 captures some of the important environmental compliance information needed to complete the environmental review required by NEPA.

National Environmental Policies Act of 1969 (NEPA) and HUD regulations implementing NEPA titled "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities" (24 CFR Part 58).

All CDBG projects must take certain actions to comply with this regulation before committing funds for acquisition or construction. This generally includes the completion of an environmental impact

assessment, documenting actions taken to comply with other environmental laws (such as those listed in the Appendix G and described below), and public notices.

The assessment is a written document which evaluates both the negative and positive environmental effects of a project. It looks at the human, social and natural environment. At the planning stage, CDBG applicants should consider potentially negative environmental effects and propose solutions which minimize or mitigate these effects.

Endangered Species Act (ESA): The U.S. Fish and Wildlife Service published a final 4(d) rule on January 14, 2016 that established prohibitions against the purposeful and incidental take of the Northern Long-Eared Bat (NLEB) as part of the Endangered Species Act. The ***information below*** gives background on the regulation, activities that trigger compliance with the rule, and links to websites to assist in complying with the regulation.

Final 4(d) rule went into effect on February 16, 2016. The final rule established Section 9 prohibitions against both purposeful and incidental take of the Northern Long-Eared Bat (NLEB). The NLEB was listed as a threatened species under the Endangered Species Act (ESA) on April 2, 2015 because of the white-nose syndrome (WNS). The WNS is a fungal disease affecting many hibernating bat species. As a result of this listing, the NLEB is now protected under Sections 7 and 9 of the ESA.

Section 7 applies only to federal actions. It requires agencies not to jeopardize the existence of threatened and endangered species and requires agencies to consult with the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS).

Section 9 applies to federal and non-federal actions. It prohibits the taking of endangered fish and wildlife.

The ESA defines take as "to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect". According to the ESA, a purposeful take occurs when the reason for the activity or action is to conduct some form of take and incidental take is a take that is incidental to the carrying out of an otherwise lawful activity.

All **purposeful take** of the NLEB throughout the species range is prohibited, unless authorized by a permit, except the removal of the bat from human structures, defense of human life (including public health monitoring) and the removal of hazardous trees for human life and property protection.

Take within the WNS zones:

- Incidental take is prohibited if it occurs in the hibernaculum (i.e. bat cave or other locations bats hibernate in the winter), unless permitted under Section 10(a)(1)9A) of the ESA.

- Incidental take of the NLEB outside of hibernacula is not prohibited as long as it does not involve tree removal.

- Incidental take caused by tree removal is prohibited (without a permit):
    - if the tree removal occurs within ¼ mile of a known hibernaculum (at any time of the year),
    - tree removal cuts or destroys a known occupied maternity roost tree or any other trees within a 150 foot radius of the maternity roots tree during the pup season (June 1 – July 31)

Take outside of the WNS Zones:

- Incidental take is not prohibited.

The incidental take actions that are not prohibited under the 4(d) rule are considered effects under Section 7 of the ESA and requires a Section 7 consultation process. The Responsible Entity may choose to complete the Streamlined Consultation Form (Northern Long-Eared Bat 4(d) Rule Streamlined Consultation Form) only for non-prohibited actions that may affect the NLEB.

For more information on the NLEB see the USFWS NELB 4(d) Rule page at http://www.fws.gov/Midwest/endangered/mammals/nleb/index.html .

Information on the Section 7 Consultation process, including what constitutes an effect, may be found at http://www.fws.gov/Midwest/endangered/mammals/nleb/s7.html.

Detailed information regarding actions that may affect the NLEB is found in the *Programmatic Biological Opinion of the Final 4(d) Rule for the Northern Long Eared Bat and Activities Excepted from Take Prohibitions* (http://www.fws.gov/Midwest/endangered/mammals/nleb/bos/16_NLEBRange_Final4d01052016.pdf).

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)]. The Environmental Professional must be a:

- 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 of Science Baccalaureate degree or higher and three years of fulltime relevant experience; or
- The equivalent of 10 years relevant experience.

Requirement to Consult with Native Americans: On June 15, 2012 HUD published a Notice the states that 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 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. Please use the Tribal Directory Assessment Tool (TDAT) for current information on tribal contacts. The tool is available at https://egis.hud.gov/tdat/. Print the results of the search for your local Environmental Review Record (ERR) to document the search and the tribes listed at the time the search was conducted. In contacting tribes, please keep in mind that the initiative must come from the Grantee and can be made by mail or e-mail. See Appendix Q for a copy of CPD Notice 12-006.

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:

http://portal.hud.gov/hudportal/documents/huddoc?id=env_notice_tribe_con.pdf

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

http://portal.hud.gov/hudportal/documents/huddoc?id=7015.15.doc

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

https://www.hudexchange.info/programs/environmental-review/

Floodplain Protection
HUD has issued regulations (24 CFR Part 55) intended to minimize floodplain development. As part of the overall environmental review process, CDBG recipients will have to document compliance with this regulation. At the application stage, refer to FEMA floodplain maps to determine if any component of your planned project takes place in the floodplain. For further information on FEMA floodplain maps, please see FEMA's web site at www.fema.gov.

Also, a series of Public Notices is required prior to any floodplain disturbing actions. Please see Appendix K for samples of the required notices. These notices are not required prior to submission of an application unless the applicant is undertaking the environmental review early in order to earn bonus points or has requested a PACA that requires completion of an environmental review.

In addition, HUD requires any community using CDBG funds for any activity affecting a FEMA mapped floodplain to be a participating jurisdiction with the federal flood insurance program and to have FEMA approved local floodplain development restrictions. Any CDBG funded activity affecting the floodplain must also be in compliance with these local ordinances.

Wetland Protection
Similar to floodplain development restrictions, the Army Corp of Engineers (ACE) under the authority of Section 404 of the Clean Water Act has authority over "jurisdictional wetlands" and restricts their development. In addition, a Section 404 ACE permit may be required for projects disturbing a wetland. Also, a series of Public Notices is required prior to any wetland disturbing actions. Please see Appendix K for samples of the required notices. These notices are not required prior to submission of an application unless the applicant is undertaking the environmental review early in order to earn bonus points or has requested a PACA that requires completion of an environmental review. For further information on Section 404 permitting requirements, please see Appendix K. This appendix also contains information concerning the recognition of wetlands and an ACE form to request a determination of ACE jurisdiction over properties applicable to the proposed project. More information can be obtained at Georgia's ACE district office web site at www.sas.usace.army.mil/.

Historic Preservation Compliance Requirements
Section 106 of the National Historic Preservation Act and the implementing regulations of the Advisory Council on Historic Preservation (36 CFR Part 800) require all CDBG applicants and recipients, in consultation with the State Historic Preservation Office (SHPO), to determine if any buildings, neighborhoods or archeological sites and resources listed or eligible for listing on the National Register of Historic Places are in the "Area of Potential Effect" (APE), and to determine the effect of the project on the APE. If the effect is adverse, the regulation requires the negotiation of ways to minimize or mitigate the effect.

Use Form DCA-9 and its attachment from DNR/HPD to identify eligible and potentially eligible areas and buildings. Photographs keyed to a map (not the same photographs used to document the "severity of need" for the project) should be included with this form. The instructions for this form have more information on the photographic and data needs. Note that there is an attachment to the form with additional information that DNR/HPD needs to review your project in a timely manner.

DCA will send projects under consideration for funding awards to the State Historic Preservation Office at the Department of Natural Resources for review and comments. The results of this review will be included in funding awards as Special Conditions which must be complied with as part of the required Environmental Review. To hasten the process, consider seeking comments from SHPO prior to submitting an application to DCA as part of your own planning and project development.

The additional cost of negotiated mitigation measures is an eligible CDBG cost.

Lead-based Based Paint Poisoning Prevention in Certain Residential Structures

HUD regulation 24 CFR Part 35 provides for the evaluation and control of lead-based paint hazards in residential housing units built prior to January 1, 1978. Requirements for compliance with this regulation vary, depending on the activity undertaken using federal funds. Every program utilizing federal funds (including CDBG) is required to comply with this regulation for activities including, but not limited to, rehabilitation, homebuyer assistance and down payment assistance. Further guidance is available in the *Guidelines for CDBG Residential Rehabilitation Program Manual*, or DCA staff is available on request to provide technical assistance.

Relocation Assistance

The Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended, and as implemented by DOT regulations 49 CFR Part 24 applies if tenants or homeowners (regardless of income) are displaced in conjunction with a CDBG activity. See also the applicability of the URA to property acquisition above.

The purpose of this part is: (a) to ensure that owners of real property to be acquired for Federal and federally-assisted projects are treated fairly and consistently, to encourage and expedite acquisition by agreements with such owners, to minimize litigation and relieve congestion in the courts, and to promote public confidence in Federal and federally-assisted land acquisition programs; (b) to ensure that persons displaced as a direct result of Federal or federally-assisted projects are treated fairly, consistently, and equitably so that such persons will not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole; and (c) to ensure that agencies implement these regulations in a manner that is efficient and cost effective. Further guidance is available in HUD Handbook 1378 **or** DCA staff is available on request to provide technical assistance.

One-for-One Replacement of Demolished Housing Units

Section 104(d) of the Housing and Community Development Act is applicable if rental units are converted to non- "low- and moderate-income dwelling units" or if occupied or occupiable housing units are demolished. This section requires the one-for-one replacement of affected units within a specific timeframe. This section also makes provision for an alternative relocation payment formula for displaced persons who will be provided "tenant-to-tenant" relocation assistance. (See HUD regulations at 24 CFR Part 570.606 and 24 CFR Part 42). Further guidance is available in HUD Handbook 1378 **or** DCA staff is available on request to provide technical assistance.

Federal Labor Standards (Davis-Bacon, etc)

These federal labor standards require the payment of US Department of Labor "prevailing wages" (at a minimum) for most construction projects. There are also extensive reporting and project monitoring requirements.

Civil Rights/Fair Housing and Equal Opportunity (FHEO)

A. General - Fair Housing Laws and Presidential Executive Orders

Fair Housing Act
Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

Title VI of the Civil Rights Act of 1964
Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Section 504 of the Rehabilitation Act of 1973
Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 109 of Title I of the Housing and Community Development Act of 1974
Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

Title II of the Americans with Disabilities Act of 1990
Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.

Architectural Barriers Act of 1968
The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.

Age Discrimination Act of 1975
The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

Title IX of the Education Amendments Act of 1972
Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

Executive Order 11063
Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

Executive Order 11246
Executive Order 11246, as amended, bars discrimination in federal employment because of race, color, religion, sex, or national origin.

Executive Order 12892
Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating

the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.

Executive Order 12898
Executive Order 12898 requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.

Executive Order 13166
Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.

Executive Order 13217
Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

B. Section 3

Section 3 of the Housing and Development Act of 1968, as amended and as implemented by HUD regulations at 24 CFR Part 135. Section 3 provides that, to the greatest extent feasible, training and employment opportunities shall be made available to lower income residents of the project areas where applicable programs are being carried out and that contracts be awarded to businesses owned in substantial part by lower income residents. The "project area" is the county in which the grant is made. See more details in the Appendices and also see DCA's adopted Section 3 Policy in Appendix R.

C. Affirmatively Furthering Fair Housing

Local government officials, in agreeing to accept CDBG funds, certify that they will "affirmatively further fair housing". This section outlines various options available to local government in meeting this grant obligation.

While the law does not specify what type of action recipients must take, it is clear that by virtue of receipt of CDBG funds, local government recipients are obligated to take some sort of action to affirmatively further the national goal of fair housing.

DCA does not dictate what sort of action recipients must take. DCA must, however, monitor local government recipients to determine what sorts of actions are taken. To accomplish this monitoring DCA has developed a **Fair Housing Checklist** which will be completed by the CDBG Program Representative as part of the normal project review process. A copy of this checklist is in the *Recipients' Manual*.

In order to document what you have done to affirmatively further Fair Housing, it is important to keep records of actions taken. Copies of brochures provided to those relocated, minutes of meetings where fair housing is discussed, and any other records, must be available for review by your CDBG Program Representative.

The following checklist of possible fair housing activities is not meant to be all inclusive. It is meant to suggest the range of activities which would satisfy your obligation. Technical assistance is available from DCA if you wish to implement any of these suggestions.

Possible Actions to Affirmatively Further Fair Housing

- Analyze issues affecting fair housing choice which may exist in your community. Contact HUD or DCA for an analysis of any fair housing complaints from your area.
- Review local zoning laws and procedures to determine whether they contribute to, or detract from, progress in fair housing. Establish a collection of zoning and land use planning material to have available for the use of local fair housing groups as well as recipient staff.
- Provide funding for local fair housing groups (eligible under the CDBG Program) or provide financial or technical assistance to citizens wishing to organize such a group.
- Adopt a local Fair Housing Ordinance or a resolution supporting the state and/or federal law.
- Distribute brochures outlining fair housing law to persons attending community meetings or CDBG Public Hearings.
- Post a fair housing poster at City Hall or Courthouse.
- Require owners of rental property receiving CDBG-assisted rehabilitation loans to sign fair housing agreements as a condition of receiving assistance.
- Develop an active public information and educational campaign to promote fair housing awareness in the community.
- Include a discussion of fair housing in public meeting agendas.
- Provide persons relocated to new housing with fair housing information and referrals.

Remember to document and keep records of everything you do in the area of fair housing.

Fair Housing Resources

- HUD, "Your Housing Rights: Live Where you Want to Live" (Fact Sheet). Copies are available from HUD.
- Fair Housing Poster, available from DCA.
- Sample "Certification of Property Owners Participating in CDBG Rental Rehabilitation Loan Program to Affirmatively Market Vacant Units", available from DCA/CDBG Section.

D. Section 504 Requirements

Local government recipients and sub-recipients must comply with Section 504 of the Rehabilitation Act of 1973, as amended. This requirement is similar to the "Americans with Disability Act" (ADA) which is also applicable. HUD has published implementation regulations at 24 CFR Part 8.

The general requirement is that no otherwise qualified individual with a disability (physical or mental) shall, because a recipient's facilities are inaccessible to or unusable by individuals with disabilities, be excluded from participation in, denied benefits, or otherwise be subjected to discrimination under any program or activity that receives CDBG assistance. The definition of disability includes physical and mental factors and also includes those who may be regarded as handicapped (such as the spouse or children of a person with AIDS). Both building accessibility and employment practices are covered by Section 504.

There are seven (7) specific requirements which have an immediate effect on CDBG Recipients:

1. CDBG recipients must file an assurance of compliance. The Certified Assurances in the CDBG Application include this assurance.
2. CDBG recipients must issue periodic public notices of non-discrimination. This can be accomplished by including appropriate language in public hearing notices. The sample hearing notices included in this Manual reflects this requirement.

3. Employment practices are also covered by Section 504. Any CDBG recipient employing 15 or more persons must:
   a. Designate at least one person to coordinate efforts to comply with the regulation (Section 504 Coordinator); and
   b. Adopt formal grievance procedures that incorporate due process standards and that provide for the prompt and equitable resolution of discrimination complaints.
4. Communications: When a recipient communicates with applicants and beneficiaries by telephone, a telecommunication device for deaf persons (TDD's) or an equally effective system is required. The Georgia Relay Service (voice at 1-800-255-0135 or TDD at 1-800-255-0056 or at 711) is also available to provide this service. Georgia Relay makes it easy for Spanish-speaking TTY users and hearing callers to communicate by phone with Spanish Relay, which includes both Spanish-to-Spanish and Spanish-to-English service. To initiate a Spanish Relay call, dial 1-888-202-3972.
5. All meeting and public hearing spaces must be accessible and procedures should be in place to ensure that persons with impaired vision or hearing can notify the local government that assistance is required.
6. The regulations require each recipient to conduct a self-evaluation. The evaluation must be done in consultation with interested persons, including individuals with handicaps or organizations representing such people.
7. When the self-evaluation identifies structural changes as being required, a written transition plan must also be prepared. The transition plan sets forth the steps necessary to complete the changes, including a time schedule. The plan should identify the agency official responsible for implementation of the plan.

E. Limited English Proficiency

Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 require that recipients of federal funds take responsible steps to ensure meaningful access by persons with Limited English Proficiency (LEP persons).

LEP persons means those who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English, and may be entitled to language assistance with respect to a particular type of service, benefit, or encounter. Note that for the purposes of gathering data for those with LEP, DCA used the U.S. Census definition as any individual who speaks a language at home other than English as their primary language, and who speaks or understands English "not well" or "not at all".

DCA has taken a number of steps to address the needs of its LEP population, including requiring all recipients of CDBG funds to prepare a Language Access Plan within 60 days of award and requiring all applicants to acknowledge this requirement by preparing and submitting with the CDBG application the Acknowledgement of Subrecipient Language Access Plan Requirement and by preparing and submitting with the application the Language Access Plan Threshold Certification. The Language Access Plan Threshold Certification form is designed to determine whether an applicant's pre-award public hearing must be advertised in English and another language (most often Spanish). If in completing the form, the applicant's jurisdiction includes a population of more than 5% LEP persons in a single language or 1,000 or more LEP persons in a single language, the pre-award public hearing must be published in the applicable language. ***See Appendix T for a copy of the pre-award public hearing notice in Spanish.***

F. For Further Information

Review these HUD websites for more information or for a listing of applicable Fair Housing Laws and Presidential Executive Orders:

HUD FHEO Library
http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/library#Guidance

HUD Exchange
https://www.hudexchange.info/

AFFH Resources and Training Material
https://www.hudexchange.info/programs/affh/resources/

Addressing Basic Compliance Rules in Your CDBG Application

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 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 recent updates to DCA polices regarding Civil Rights/Fair Housing and Equal Opportunity (FHEO). These updates can be found in Appendix R of this Manual. These updates include a Section 3 Policy, updated on October 1, 2017, a Language Access Plan, and a Solicitation Package. This Appendix 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 this Manual and in HUD's CPD Grantee Monitoring Handbook that can be found at: https://www.hudexchange.info/resource/290/hud-community-planning-and-development-monitoring-handbook-65092-rev6/

Note: Pre-Funding procurement requires Section 3 compliance.

PART II: GENERAL AWARD INFORMATION AND REQUIREMENTS

Pre-Agreement Cost Approval (PACA)

Because projects often run on schedules that are time-sensitive, CDBG regulations and DCA policy allow potential applicants to request pre-agreement cost approval (PACA) from DCA that authorizes the potential applicant to commence project activities and maintain project timetables while applying for CDBG assistance. Upon DCA's issuance of pre-agreement cost approval, a project may move forward prior to submission of an application or award of funds while maintaining the eligibility of the activities that take place prior to submission of an application and receipt of a grant award.

DCA strongly recommends that potential applicants contact DCA (through its Office of Community Development in Atlanta) to discuss pre-agreement cost approval prior to submission of a written request for pre-agreement cost approval.

DCA will only grant pre-agreement cost approvals that are in compliance with 24 CFR §570.489(b) and 24 CFR Part 58. Upon approval of pre-agreement costs, the applicant is eligible for reimbursement of eligible expenses *if* a CDBG award is made. Eligible expenses in compliance with DCA's written pre-agreement cost approval may also be counted as leverage.

IN NO EVENT WILL PRE-AGREEMENT COST APPROVALS ISSUED BY DCA ENSURE DCA FUNDING FOR THE REQUESTED PROJECTS. THE DCA ANNUAL COMPETITION IS VERY COMPETITIVE AND PRE-AGREEMENT COST APPROVAL DOES NOT IN ANY WAY INCREASE AN APPLICANT'S COMPETITIVENESS. ALL COSTS INCURRED BY APPLICANTS PRIOR TO THE CDBG AWARD DATE ARE AT THE APPLICANTS' OWN RISK. HISTORICALLY, ONE-HALF TO TWO-THIRDS OF CDBG APPLICANTS ARE NOT AWARDED FUNDS.

FY 2018 CDBG Available Funds

Approximately $25,000,000 in FFY 2018 CDBG funds is estimated to be available for distribution under the Annual Competition. The exact amount will be determined after Congress appropriates HUD's FFY 2018 budget and HUD applies its distribution formula to the appropriated funds.

Types of Grants

Applications under the Annual Competition must be for either a single-activity or multi-activity grant:

1) **Single-activity** grant applications must be structured to address problems within one of the following three areas: (a) neighborhood revitalization, (b) public facilities, or (c) economic development. Single-activity grant applications may qualify for Revitalization Area bonus points.

2) **Multi-activity** grant applications must involve two or more activities that address community development needs in a comprehensive manner. This funding component requires an applicant to address problems within more than one of the areas listed above (neighborhood revitalization, public facilities or economic development). The combination of various neighborhood revitalization, economic development and public facilities activities is encouraged. Multi-activity grant applications may qualify for Revitalization Area bonus points.

Maximum CDBG Grant Amounts

Single-Activity	Multi-Activity
$750,000	$1,000,000

The dollar amounts established are maximums. Application proposals should be developed that are consistent with the community's needs and ability to complete the program in a timely fashion. The DCA review process emphasizes the establishment of realistic goals and the development of resources needed to address the goals. Applicants are also encouraged to apply for other federal, state, or private funds in order to increase the resources at their disposal to address their community development needs.

Matching Requirements

All awards under the Annual Competition (except for CDBG single-activity neighborhood revitalization grants, which require no match) must be matched by the recipient.

Required cash match:

- 0% for amounts up to $300,000 in CDBG funds
- 5% of amounts from $300,001 to $750,000 in CDBG funds
- 10% of amounts from $750,001 to $1,000,000 in CDBG funds

The match must be cash, *whether loans, bond proceeds, grants, or appropriated funds*. The source can be either private or other non-CDBG (CHIP funds are not eligible for match) public funds. "In Kind" Services are not considered cash. Match cannot be designated for excessive grant administration nor may match be designated for contingencies.

DCA also considers "leveraging" of other funds and resources in the rating and review process. Any match contributed over and above the required minimum cash match will be counted as leverage when reviewing each application.

In accordance with applicable regulations, preliminary costs such as engineering estimates or fees for preparation of applications spent prior to a formal award are ineligible costs and may not be reimbursed or recovered if a grant award is made. However, the portion of these costs directly attributable to the submitted project may be counted as match or leverage. DCA will count up to $5,000 each toward the cost of grant writing services or the cost of preliminary engineering/architectural reports provided that adequate documentation is included in the application.

A separate letter(s) must be included documenting any funds/services to be included as match or leverage. Although the match must be a cash match and cannot consist of in-kind services, its source can be local public funds, other state or federal funds, or private investments or contributions. Whatever the source, to be counted as match or leverage, it must be evidenced by a firm written commitment, either a resolution or letter. Costs incurred prior to the submission of the application (and award) must be documented by invoices, cancelled checks or other acceptable documentation and meet all applicable requirements. Please refer to the instructions for Form DCA-8.

Limitation on Administration and Professional Fees

Note: DCA reserves the right to reduce the overall level of administrative or professional fees depending on the scope of the proposed project.

Use the following limits for administrative, engineering and/or architectural costs paid for with CDBG funds.

Type of Project	Administrative Cost Limit	Engineering/Architectural Cost Limit
Single Activity (Public Facility or Econ. Dev.)	6% of grant + $200* per unit to which plumbing improvements are made	-Engineering @ 12% of CDBG construction amount** -Architectural @ 10% of CDBG construction amount
Multi-Activity	7% of grant + up to $2,500* per unit rehabilitated	-Engineering @ 12% of CDBG construction amount** -Architectural @ 10% of CDBG construction amount
Single Activity Neighborhood Revitalization	7% of grant + up to $2,500* per unit rehabilitated	N/A
Special Note: Regardless of grant amount, a minimum of $25,000 for administrative fees is allowed.		

*Per unit charges (Project Delivery Costs) should be budgeted in the activity line item, not in administration.
**Under limited circumstances, CDBG may pay for more than 12% of the CDBG construction amount when DOT funds are used as match or leverage because DOT will not pay the cost of engineering for its projects. In these instances, the applicant should explain on DCA-8 the justification for additional engineering funds. In no case will CDBG pay more than 12% for engineering of the combined CDBG and DOT construction costs. DOT projects that require little if any engineering (e.g., street resurfacing) will not receive any special consideration.

The limit for CDBG engineering and/or architectural services cost is based on construction cost paid for with CDBG funds. Contingency line items included in Preliminary Engineering and Architectural Reports are not considered construction costs and may not be included in the calculation of maximum engineering and architectural fees.

Note: *Up to $1,000 for financial audit costs are also an allowable CDBG administrative expense, in addition to the percentages specified above*.

Project Delivery Costs

In order to provide an incentive for jurisdictions to complete at least the number of housing units that is equal to the number indicated in their project application, DCA will provide a maximum of 7% of the CDBG housing or multi-activity grant award amount for General Administration combined with up to a $2,500 Project Delivery Cost payment per completed unit of housing, subject to the following schedule:

Unit Type	Activity	Maximum PDC
Stick Built (including Modular)	Rehabilitation/Reconstruction	Up to $2,500
Stick Built (including Modular)	Down Payment or Second Mortgage Assistance	Up to $1,500
Manufactured ("mobile home") Owner owns unit AND land	Down Payment or Second Mortgage Assistance	Up to $1,000
Manufactured ("mobile home") Owner owns unit AND land	Reconstruction	Up to $1,000
Manufactured ("mobile home")	Rehabilitation	Up to $750
Manufactured ("mobile home") Owner owns unit only (long term lease on land)	Down Payment or Second Mortgage Assistance	Up to $750

Additional Project Delivery Costs for Lead Hazard Control for rehabilitation of housing built prior to 1978 allowed by CDBG are as follows:

1. Inspection/Risk Assessment procurement and oversight, a maximum of up to $100 per unit.
2. Lead hazard control construction and clearance procurement and oversight, a maximum of up to $400 per unit.

Note: If the project administrator performs lead hazard evaluation (inspection/risk assessment) or clearance "in-house" (no procurement or oversight), the maximum PDC for this activity is $300 for procurement and oversight of the actual lead hazard control work by a qualified firm.

Project Delivery Costs must be reasonable and necessary and supported by documentation. PDC's should be budgeted on the appropriate activity line item, NOT in the General Administration line on DCA-7 and 8.

DCA reserves the right to reduce the overall level of administrative funds depending on the scope of the project. Jurisdictions can expect to receive approximately half of the regular Project Delivery Cost payment for certain activities that are less expensive administratively on a per unit basis, such as permanent relocation and multiple units of rental housing under one roof.

Procurement for Application Development and other Professional Services

CDBG payments for professional services are subject to the "competitive negotiation" requirements of 2 CFR Part 200. 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 2 CFR Part 200 before entering into subcontracts with private consultants. Alternately, 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.

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. <u>This is not an "approved" list. DCA does not approve or disapprove professionals. This is the applicant's or recipient's responsibility</u>.
- 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 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 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 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's/RFQ is required). If the procurement is more than two years old, a new advertisement and solicitation of RFP's/RFQ's 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 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.

Application Submission Deadlines

To participate in the FFY 2018 CDBG Annual Competition, **all applications must be submitted to DCA by April 2, 2018**. Applications must be U.S.P.S. postmarked no later than April 2, 2018 or hand delivered no later than the close of business on April 2, 2018.

We suggest that applications that are mailed be sent by certified or registered mail.

Applicants must submit an original application and three (3) copies (set of 4). DCA requires that all sets of photographs be in color. The mailing address is as follows:

Administrative Secretary
Office of Community Development
Georgia Department of Community Affairs
60 Executive Park South, NE
Atlanta, Georgia 30329-2231

Note 1: For Revitalization Area Strategy designation and bonus points for the FFY 2018 Annual Competition, the deadline for application submission is also April 2, 2018. Revitalization Area Strategy Applications (and application updates) are submitted under separate cover. Please see the *CDBG Revitalization Area Strategy Applicants' Manual* for further details.

Application Review Process

Overview of Rating and Selection System

Single and Multi-Activity CDBG applications are rated to address points for feasibility, strategy, and impact. Demographic scores will be calculated together for cities and counties.

Applications will be rated and scored against each of the following factors. (The maximum score possible is 485 points for CDBG, and up to 505 for Revitalization Area Strategy applications.)

	Maximum Points
Demographic Need - absolute number in poverty	40
Demographic Need - percent of poverty person	40
Demographic Need - per capita income	40
Program Feasibility	110
Program Strategy	110
Project Impact	110
Leverage of Additional Resources	25
Total Points	**475**
Bonus for Readiness to Proceed	Up to 25
Bonus for Return of RLF Funds	5
Bonus points for Revitalization Area Activities	Up to 20
Maximum Total Points	**525**

Rating Factors

Demographics

Rating factors will be assigned in the following manner:

- **Demographic Need - *absolute number of people in poverty:*** Applicants will be compared in terms of the number of persons in the entire jurisdiction whose incomes are below the poverty level. Scores will be obtained by dividing each applicant's number of persons in poverty by the greatest number of persons in poverty of any applicant in the group and multiplying by 40.

- **Demographic Need - *percent of people in poverty:*** Applications will be compared in terms of the percentage of population below the poverty level in the entire jurisdiction. Scores will be obtained by dividing each applicant's percentage of persons in poverty by the highest percentage of persons in poverty of any applicant in the group and multiplying by 40.

- **Demographic Need - *per capita income:*** Applicants will be compared in terms of their per capita income for the entire jurisdiction. Scores will be obtained by dividing each applicant's per capita income into the lowest per capita income of any applicant in the group and multiplying by 40.

Note: *Demographic Scores are calculated by DCA.*

Feasibility

- **CDBG Program Feasibility:** Applicants will be compared in terms of project feasibility. The following factors are considered: **1)** verification and reasonableness of cost; **2)** documentation that all project financing sources needed for the project will be available; **3)** where applicable, documentation that preliminary engineering, architectural and or site plans have been

prepared and support the proposed project; **4)** verification that any required property is available for the project; **5)** where applicable, review of any proposed recipient's or subrecipient's ability to provide administrative capacity or to undertake an approved activity; **6)** compliance with applicable state and federal laws, and **7)** reasonable project timetables.

- Wetland and floodplain maps should be included with the application to assist DCA in determining project feasibility in addition to USGS topographic maps from the 7.5 minute, 1:24,000-scale quadrangle series. All Preliminary Engineering Reports and Preliminary Architectural Reports should include an original signature and the appropriate professional stamp. Points may be deducted for feasibility without these features.

NOTE: Buildings/Limited Clientele Applications

All funded CDBG projects that propose and implement the construction or renovation of buildings for the purpose of serving a limited clientele population must also adhere to DCA's Continued Use Policy for a period of 10 years. This policy is made part of the grant conditions upon award. The purpose of the Continued Use Policy is to ensure that buildings funded by CDBG funds are used for their intended purpose for a minimum of 10 years. The primary means for enforcing the Policy is through the grant conditions, DCA monitoring, and local oversight. Due to the length of time involved, 10 years, and the possibility for divergence from the original grant purpose over time, DCA is asking that all applicants for building projects provide basic information regarding building ownership, lease terms (where applicable), and other means of building control (where applicable). The information provided should include the following:

1. The legal name of the entity that will own the building.
2. The proposed lease terms: number of years, lease amount, other lease arrangements such as which entity will pay for utilities and insurance, and terms or renewal.
3. Anticipated program income, if any.
4. Other arrangements such as property reversion clauses or liens.

Because the only eligible applicants for CDBG funds are local governments and because local government ownership of CDBG-funded buildings helps ensure local oversight of continued use requirements, this approach has historically been the most common ownership structure; however, other approaches that involve strong public-private partnerships are also possible. These approaches require additional explanation to assist DCA in understanding how the Continued Use Policy will be enforced, especially in the event of dissolution of the private entity when the private entity owns the building. The narrative on DCA 5 (Description of Activities) should include, in addition to items 1-4 above, information regarding the applicant's plans for oversight of the Continued Use Policy should unexpected events occur. In addition, any existing agreements, leases, or reversion clauses should be included in the application's appendix. In the event of funding, DCA may also Special Condition the grant award to require any agreements needed to ensure positive outcomes for the dollars provided. For workforce development center projects, please contact the appropriate Community Finance Division staff for further assistance.

Points for feasibility will be awarded by a review panel, in accordance with the levels below, based on how well each applicant, compared to others, addresses the feasibility factors.

Level One (Not Feasible)	0.0
Level Two (Poor)	27.5
Level Three (Average)	55.0
Level Four (Good)	82.5
Level Five (Excellent)	110.0

Strategy

- **CDBG Program Strategy:** Applicants will be compared in terms of program strategy. The following factors are considered: 1) an analysis of alternative solutions to address the identified problems and the costs of those solutions compared to the alternative chosen , 2) as appropriate, an analysis of the steps taken by the applicant to adopt policies or ordinances to prevent the reoccurrence of the identified problem within their jurisdiction (copies of these local policies or ordinances should be included in the application when applicable to document local action on identified problems or for further explanation of local strategies); 3) an analysis of the ongoing financial effort that the applicant has made or will make to address the identified problems and to maintain and operate the proposed project, facility or system; 4) the extent of benefit to persons of low- and moderate-income and 5) multi-activity applications will also be compared in terms of the projects' support of comprehensive community or neighborhood conservation, stabilization, and revitalization in addition to the degree of the resident's support and involvement.

  Competitive multi-activity applications will include a plan to address 100 percent of the target area's community development needs using the proposed CDBG funding along with other near-term sources of funding and other resources. Resources could include, for example, local code enforcement efforts as well as the implementation of other local ordinances. The application should demonstrate how CDBG funding, along with other efforts, will lead to amelioration of target area community development needs within a reasonable timeframe.

NOTE: One of the purposes of the Strategy criterion is to allow applicants to demonstrate how the proposed activities are a planned component of the applicant's overall strategy to improve the target area/community. The proposed activities should be a component of the applicant's plan for conservation, stabilization, and/or revitalization. In addition to demonstrating the need for the proposed activities, the applicant's Strategy should include, for example, such information as:

- Excerpts from the appropriate local planning document (e.g., Urban Redevelopment Plan, current comprehensive plan, etc.)
- While required for multi-activity and neighborhood revitalization applications, all applicants should indicate the condition of the target area/community's housing stock (number and percentage of standard, substandard and dilapidated housing units)
- Strategies to obtain the required funding for long-term, needed improvements
- Policy or ordinance changes needed to implement/maintain the proposed activities or project, and
- *For Multi-activity projects, note that applicants are expected to address 100% of the target area's community development needs with CDBG and other funding sources.*

Suggested Application Format

When describing a community's or target area's needs (whether specific to the proposed CDBG project or whether related to overall area community development needs), DCA suggests that these needs be described on DCA-4. When describing a community's proposed strategies for addressing the needs described (whether specific to the proposed CDBG project or whether related to overall area community development needs), DCA suggests that these strategies be described in DCA-5. Documentation of needs and strategies may be included in an appropriate appendix.

Points for strategy will be awarded, in accordance with the levels below, by a review panel based on how well the applicant, compared to others, addresses the strategy factors.

Level One (No Impact)	0.0
Level Two (Poor)	27.5

Level Three (Average)	55.0
Level Four (Good)	82.5
Level Five (Excellent)	110.0

Conformance with 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.

Service Delivery Strategy (O.C.G.A. §36-70-20): In addition, state law requires that all projects funded be consistent with the community's adopted Service Delivery Strategy (O.C.G.A. §36-70-20). The appropriate citation of the Strategy along with attachments and service area maps should be included in the application, along with a signed certification that the project is consistent with the Strategy. Maps should include the project area, or facility, in relation to the approved service area for that activity. If the project is not covered by the adopted Strategy by August 3, 2018, it will not be eligible for funding.

Concentration Map Requirement: DCA has long required concentration maps from the applicant jurisdiction that show concentrations of minorities, low- and moderate-income, and housing deficiencies. DCA is requiring that concentration maps be prepared using DCA's online mapping tool. Please see this tool at: http://georgia-dca.maps.arcgis.com/home/. This will generate consistent maps from applicants that will allow each applicant to respond to its jurisdiction's concentrations. All applicants must create these maps using DCA's online tool, ***and keeping their concentrations in mind, should include on DCA-5 a narrative that indicates how and why the applicants' target areas were chosen.***

Impact

- **Program Impact:** Applicants will be compared in terms of program impact. The following factors will be considered: **1)** the number of persons benefiting; **2)** the cost per person benefiting (the cost per person is calculated by dividing the total CDBG grant by the total number of people benefiting, i.e., the total population of the target area or the total number of projected clientele to be served); **3)** the project's impact on the benefiting population's quality of life, living environment or opportunities for economic advancement; **4)** an analysis of the documented severity of need; and **5)** the impact of the project on the identified need or problem.

  Points for impact will be awarded by a review panel, in accordance with the levels below, based on how well each applicant, compared to others, addresses the impact factors.

Level One (No Impact)	0.0
Level Two (Poor)	27.5
Level Three (Average)	55.0
Level Four (Good)	82.5
Level Five (Excellent)	110.0

Leverage

- **CDBG Leverage of Additional Financial Resources:** Leverage includes additional resources committed to and directly related to the project, including cash above the required minimum cash match amount, the purchase with non-CDBG funds of new equipment and

furnishings for buildings proposed to be constructed with CDBG funds (used equipment is not counted toward leverage), the cost of conducting housing surveys in conjunction with the Programmatic Agreement on Historic Preservation, the costs of preliminary engineering and architectural reports, the costs of CDBG application preparation, and additional grants and loans from other sources that address the applicants identified community development needs. Up to $1,000 may be counted toward leverage if the applicant commits to paying for required audits without using CDBG resources for this effort. This commitment must be in writing and the amount committed must be specified. **Only items that would not otherwise have been provided and that are directly related to the proposed CDBG project will be counted.**

A "reasonable" value must be assigned to donated and "in-kind" items and the basis for the value assigned or claimed must be fully described and documented. Land currently owned by an applicant may be donated to the project and be counted as leverage provided the value of the land is well documented (appraisal, tax value, etc.) and the documentation is included in the application. Land donated to the project that exceeds project needs will not be counted in full. The labor of volunteers may be counted toward leverage provided the applicant provides reasonable documentation for labor hours and the value of labor per hour. Grant administration and architectural/engineering services may be also be donated as "in-kind" resources, and the basis for the value assigned or claimed must be fully described and documented.

Leverage amounts will only be assigned when firm commitments from the applicable funding sources are included in the application.

Non-CDBG costs related to the proposed construction of new items which serve CDBG target area needs as well serving a larger service area (such as a new water storage facility) will be counted proportionally with the CDBG target area population serving as the numerator and the population of the service area serving as the denominator. DCA reserves the right to use a different method in calculating proportionality if required by the circumstances of an applicant's proposal.

Leverage must be for a CDBG eligible activity and the beneficiaries must be within the CDBG target area(s) unless otherwise provided in this manual (e.g., furnishings and equipment may be counted as leverage). In addition, leverage must be related to the CDBG project proposed in DCA-5 and the needs described in DCA-4.

All leveraged funds must be related and timely.

All leveraged funds must be shown on DCA-8 in items 5a, 5b, and 6 in order to be considered by DCA for leverage points. Applicants should use item 8 to explain and support the values identified in items 5a, 5b, and 6.

What is not leverage?

- On-going operation and maintenance costs are not counted as leveraged resources**.**
- Costs not clearly related in terms of location or benefit to the proposed project beneficiaries are not counted as leverage.
- Costs of CDBG audits above $1,000 will not be counted as leverage.
- Contingencies will not be counted as leverage.
- Applicants are advised to justify all leverage claims.

The leverage score will be calculated as follows:

1) Total dollar value of leverage for each applicant will be calculated and then divided by the total population of the applicant in order to obtain a per capita leverage figure reflective of each applicant's relative effort.
2) Applications will be assigned to one of five groups:
   - Multi-activity
   - Housing
   - Economic Development
   - Water and/or Sewer
   - Other Public Facilities
3) The applications will then be ranked within these groups, based on per capita leverage amounts, from no leverage (no points) to highest per capita leverage and points assigned based on the percentile ranking. If no applicant within any of the groups listed above has $0 leverage, a proxy score of $0 will be inserted to insure that if leverage is provided by the applicant a score greater than 0 will result.
4) Up to 25 points can be assigned for leverage of additional resources. The ranking will be established using the range of applicants' per capita leverage amounts (from 0 to the highest per capita leverage) and calculating a percentile score for each applicant's per capita leverage amount within the range. This percentile score will be multiplied times 25 to establish the points for per capita leverage. For example, if an applicant's per capita leverage amount is $300 and if $300 represents a percentile score of 50 percent, the leverage points will be 12.5 (.50 x 25= 12.5).

Revitalization Area Strategy Bonus Points

The Revitalization Area Strategy (RAS) bonus points, procedures, and application process is more fully described in the *CDBG Revitalization Area Strategy Applicants' Manual*. Please review this manual in detail regarding bonus points under the CDBG Annual Competition. A synopsis of the Revitalization Area Strategy points and requirements are provided below. For FY2018 funds, all RAS applications, annual updates, or renewals must be submitted in full no later than April 2, 2018 in order for RAS benefits to be applicable to the 2018 Annual Competition, including but not limited to the ability to apply for CDBG funds in RAS areas every year and bonus points.

Bonus points for Revitalization Area Activities: Points will be awarded for utilizing existing state redevelopment programs, initiatives and incentives in eligible areas. Following receipt of a designation, a CDBG applicant may be awarded up to 20 points for CDBG project activities occurring within a DCA-approved Revitalization Area as follows:

Revitalization Area Threshold Requirement (5 Bonus Points): In order to be eligible for Revitalization Area designation and bonus points, a local government must establish a local redevelopment area and plan pursuant to O.C.G.A. 36-61-1 et seq. ***Note that the RAS boundaries must be within both the local urban redevelopment area established pursuant to O.C.G.A. 36-61-1 et seq. and one or more Census Block Groups with a poverty rate of 20% or greater.*** Additionally, the local government must describe the activities it will undertake to promote economic empowerment through meaningful job creation for the unemployed and low- and moderate-income residents as well as activities to promote the substantial revitalization of the area.

Local Redevelopment Tools (5 Bonus Points): Points may be earned through the use of such tools as State Enterprise Zones, Opportunity Zones, Tax Allocation Districts, Community or Business Improvement Districts, Land Bank Authority or other targeted investment and/or redevelopment programs targeted for the area. Applicants must indicate how tools are being used to benefit the RAS area.

Investment Partnerships (maximum of 5 Bonus Points): Up to 5 points may be earned through providing documentation of investments into the area by certain revitalization, residential improvement, social

service funding programs or job creation / retention programs applicable to the RAS area. The programs may be chartered by the state, federal government or private philanthropic, non-profit and/or faith based organizations.

Collaboration (maximum of 5 Bonus Points): Points may be earned through the demonstration that initiatives will be created and/or undertaken within the eligible area by private for-profit and not-for-profit community stakeholders. These stakeholders may include local lending institutions, community or neighborhood housing organizations, community development organizations or other community groups who have taken responsibility to carry out some aspect of the Revitalization Area Strategy. Examples may include GICH program activities, housing or other task forces, city code enforcement efforts, credit counseling, home ownership classes, etc. Documentation may include letters of commitment, agreements, and other evidence of capacity and commitment.

Revitalization Area Designation
Revitalization Areas will generally be designated or reauthorized prior to the Annual Competition application deadline through a separate designation process. The deadline for applications for benefits under the 2018 competition is April 2, 2018. **Communities seeking designation, annual updates, or renewals are strongly encouraged to meet with DCA as soon as possible to discuss their request for designation**.
Area Strategy Plan and Map – See the *CDBG Revitalization Area Strategy Applicants' Manual* for map requirements and other essential information regarding a Revitalization Area Designation.

Revitalization Area Strategies will be approved and bonus points assigned prior to and during the CDBG Annual Competition for those communities submitting requests for designation, annual updates, or renewals no later than April 2, 2018. Communities with current, approved strategies will be allowed to apply each year without waiting out a year for projects that are ***within*** the approved strategy area provided DCA's timeliness and other criteria are met.

Note: For Revitalization Area Strategy designation and bonus points for the FFY 2018 Annual Competition, the deadline for application submission, annual updates, or renewals is April 2, 2018. Revitalization Area Strategy Applications are submitted under separate cover. Please see the *CDBG Revitalization Area Strategy Applicants' Manual* for further detail.

Bonus Points for Readiness to Proceed

A maximum of 25 bonus points may be earned through the demonstration of a project's readiness to proceed. Points may be earned through ***documentation*** in the application that: 1) procurement documents/processes are ready to proceed; 2) the NEPA review and required notices for wetlands and floodplains have been completed; 3) all real-estate (including easements and right of ways) needed for the project has been acquired in accordance with applicable requirements and is available for the project; 4) all engineering and architectural plans are finalized and have been submitted to the appropriate local, state or federal authorities; and 5) contract documents are finalized and have been submitted to the appropriate local authorities. Other equivalent documentation may be provided for housing applications that demonstrate readiness to proceed upon project award.

Procurement
These bonus points refer to procurement of professional services in accord with all DCA requirements. If either the grant administrator or the architect/engineer is procured, 1 bonus point will be assigned. If both are procured, 2 bonus points will be assigned. To earn 1 or 2 points under this criterion, an applicant must provide a letter signed by the Chief Elected Official stating the CDBG procurement process has been followed and identifying the firm(s) that has been selected.

Environmental Reviews

A maximum of 3 bonus points may be earned for the steps leading up to environmental clearance. One point may be earned for completion of the tribal consultation process, documented by a copy of the tribal consultation letter(s) and the response letter(s) or a memo documenting no response(s) received. If HUD's tribal consultation tool does not show tribes for the applicant's county, a screen shot of the tool is required as documentation for this point. One point may be earned for the SHPO response letter, documented by a copy of the response letter. One point may be earned for a full release of funds by DCA.

Architectural and Engineering Plans

Ten points may be earned for having the design completed and submitted to the appropriate agencies. Documentation must include a letter from the Engineer/Architect that design is completed and must include a listing of the agencies to which plans have been submitted along with the dates of submission. Possible permitting agencies include: Environmental Protection Division (EPD), Georgia Department of Transportation (DOT), Georgia Soil and Water Conservation Commission (GSWCC), State Fire Marshall, Railroad, Army Corps of Engineers (ACE), others as applicable. For Neighborhood Revitalization applications – One point may be earned for having the rehab advisor under contract, documented by a letter signed by the CEO stating the procurement process has been followed and identifying the individual/firm that has been selected. Five points may be earned for completing title searches on all proposed units, documented by a letter from the attorney stating that title searches on the proposed units have been completed and listing the property addresses and owners. Four points may be earned for completing work write-ups on all units, documented by providing a copy of each work write-up with the application.

Acquisition Activities

One point may be earned if no acquisition is needed, documented by a letter from the CEO stating that no acquisition is needed. Three points total may be earned if all acquisition has been identified and title searches are completed, documented by a letter from the attorney stating that the title searches on all the properties required for start of construction have been completed and listing the property addresses and owners. Five points total may be earned for completed acquisition packages, documented by including easement plats for all required easements along with a valuation determination for each easement or parcel to be acquired. **Remember that all property acquired in anticipation of the proposed CDBG project regardless of the source of funding is subject to URA requirements. Non-compliance with URA requirements could lead to ineligible and non-reimbursable costs.**

Contract Documents

Five points may be earned for receiving all required plan approvals and/or permits from all applicable federal, state, and local agencies and having bid packages ready for distribution. Documentation must include copies of approval letters and/or explanation of approval due to "no response", and a certification from the CEO stating that the project is ready for bid. For Neighborhood Revitalization applications – Five points may be earned for completing income verifications, documented by a letter from the CEO listing the names and addresses of the participants for whom income verifications have been completed.

In order to receive consideration for bonus points, bonus points should be claimed on DCA-5. A brief narrative should be included in DCA-5 stating the bonus points claimed and the rationale for claiming the points. In addition, DCA-5 should clearly reference all documentation attached to the application that demonstrates accomplishment of the bonus point thresholds outlined above.

Bonus Points for closing EIP/RDF Local Revolving Loan Fund and Returning Funds

Five points may be earned through the closing and returning of all funds in the community's EIP/RDF Local Revolving Loan Fund. These points may only be applied to the community's next Annual Competition CDBG application, which must be submitted within two program years from the date of the closing of the RLF. If an Annual Competition CDBG application is not submitted within this time frame, these bonus points will expire.

In order to receive the points, a locality must return all RLF assets to the state to remove itself from the administrative requirements of the RLF program by July 1, 2018. This will generally require that a locality return all of its cash on hand and set up a plan with DCA to return any payments from its loan receivables on a periodic basis. Any assets returned to the state will be added to the state's existing CDBG allocation or used to capitalize a statewide revolving loan fund and used to fund additional economic development projects.

Final Ranking

The points received by each applicant on the rating factors will be totaled and the total scores ranked accordingly. Grant awards will be based on this final ranking to the extent funds are available. In case of ties, the applicant with the highest percentage of low- and moderate-income persons benefiting will be given priority.

Disposition of Applications

Grant commitments will be forwarded to local units of government whose applications are approved for funding. For the FFY 2018 Annual Competition, commitments should be announced approximately September 1, 2018.

Applicants whose programs are denied will be notified of the denial. DCA's decisions regarding awards and denials will be based on the Method of Distribution as required by HUD, this Applicants' Manual, the rating and selection criteria outlined herein, and the final ranking of all applications based on the points awarded to each applicant. DCA will fund the applications in order of rank beginning with the top-ranked application until funds are depleted. DCA's funding decisions are final and DCA may waive any irregularities consistent with the Method of Distribution and this Manual. After the awards, the CDBG staff will review applications with local official's staff or their designees at the request of the certifying representative of the local government.

Pre-Funding Site Visits

The Department of Community Affairs may make at least one unannounced site visit to applicants during the application review process. The purpose of the visits will be to verify information contained in the application and to compare similarly proposed projects.

Technical Assistance Policy

The Department of Community Affairs will provide technical assistance on request from the unit of local government. In addition to the Applicants' Workshop, a Recipients' Workshop will take place after grant commitments have been made that will explain the fundamentals of program implementation.

Other workshops, more narrowly focused on specific topics such as contracts, financial management, acquisition, relocation, environmental review and housing may be sponsored by the Department from time to time.

Please note that although DCA staff can provide technical assistance in the form of guidance and information at the application stage, staff cannot write application proposals for local governments. The annual CDBG process is competitive. Each application is ranked relative to the entire pool of applications. Any technical assistance provided by DCA staff does not guarantee project funding.

Contents of Preliminary Engineering Reports

Preliminary planning and engineering reports generally include, but are not limited to, the following:
Executive Summary

- Brief description of Project Area needs, Conclusions and Recommendations

Introduction

- Purpose and Scope (project objectives and methodology of evaluation)
- Authorization
- Previous Studies

Background

- Target Area description
- Plans and photos of Target Area
- Population density
- Population projections (if available)
- Narrative describing existing conditions including description of needs to be addressed
- Map of existing conditions, particularly of existing conditions to be addressed with CDBG funds, including pipe sizes and other relevant measures of existing infrastructure

Evaluation of Alternatives

- Descriptions of alternatives considered, including cost estimates of each alternative (capital, operation and maintenance & user fees)
- Street and road projects should include the advantages and disadvantages of alternative typical sections (curb and gutter versus shoulder and ditch section)
- Assessment of impacts on Target Area residents & property owners (land, right-of-way and easement acquisition requirements)

Description of Proposed Project

- Identification of applicable federal, state and local design standards
- Drainage projects should include site specific preliminary hydrologic and hydraulic calculations for each drainage shed
- Drainage projects should include a description of project outfall(s) and consideration of downstream impacts
- Required Permits
- Operation and maintenance requirements, responsible party (Grantee, GaDOT, other) and operation and maintenance capability (available staff, equipment and expertise)
- Narrative describing the proposed improvements including a description of the impact of the proposed improvements on the quality of life of target area residents
- Map of proposed improvements, including pipe sizes and other relevant measures of proposed infrastructure

Detailed Project Budget

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

Project Schedule

All Preliminary Engineering Reports should include an original signature and an engineering stamp. Points may be deducted for feasibility without these required features.

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 should include an original signature and an architectural stamp. Points may be deducted for feasibility without these required features.

Part III: Making Your Application More Competitive

This Chapter provides guidance on how to address the application rating factors of feasibility, strategy and impact. These factors represent a total maximum score of 330 points or a majority of the points available to an applicant. For an overview of the rating and selection system, see Part II, Application Review Process.

The score of an application based on feasibility, strategy and impact are determined by a DCA staff review of similar applications. Utilizing this information should make your application more competitive.

Feasibility (110 points maximum):

The following factors are considered:

1) verification and reasonableness of cost
2) documentation that all project financing sources needed for the project will be available
3) where applicable, documentation that preliminary engineering, architectural and or site plans have been prepared and support the proposed project
4) verification that any required property is available for the project
5) where applicable, review of any proposed recipient's or sub-recipient's ability to provide administrative capacity or to undertake an approved activity
6) compliance with applicable state and federal laws
7) reasonableness of project timetables

Some of the basic components essential in addressing project feasibility are as follows:

- Have all forms been prepared properly and properly executed?
- Are 51% or more of the beneficiaries inside the boundaries of the applicant? If not, has a joint application been proposed? If not, has DCA provided an exception in writing to this requirement?
- Make sure all activities are eligible.
- Has a CDBG National Objective been met? (Area Benefit or Limited Clientele) (70% or > L/M Income benefit; 100% for housing L/M benefit)
- Have the benefit number and L/M Income percentage been accurately counted or reasonably estimated based on an acceptable survey methodology? (See Appendix C of this Manual for further details on acceptable survey methodologies.)
- Has the survey methodology been described thoroughly on Form DCA-6 or in an attachment?
- Include a copy of the survey form used to determine the number of beneficiaries and the L/M percentage.
- Have all additional sources of funding been confirmed? (Match, Leverage, etc.)
- Will property acquisition be needed? If so, provide reasonable estimates of the number of parcels needed, their costs and the proposed procedures for compliance with the URA.
- Address ongoing operation and maintenance of your proposed project.
- Are all funding sources (project and programs) confirmed?
- Who will operate and staff programs, are they committed?
- Are environmental or historic preservation issues or concerns addressed?
- Will permits be required? Address all types of permits needed and indicate the time required to secure permits. (Railroad, DOT, etc.)
- System Capacity. If additional water or sewer customers will be added, please address the current system's capability to add customers.
- Address utility relocation needs and costs.
- With Water and Sewer applications:
    - Address EPD requirements.
    - Address the need for household plumbing improvements.
    - Address the feasibility of plumbing improvements.
    - Address proper abandonment of wells/septic tanks.
    - Address house connections/reconnections.
    - Address how house connections/reconnections will be paid for.
- Make sure the project schedule is reasonable.
- Clearly address and disclose any conflict of interest issue.
- Have all applicable federal laws and regulations that may be triggered by the proposed project been addressed in the application? For example, have the URA, Section 104(d), NEPA, floodplain and wetland notice, historic preservation, relocation, and Section 3 requirements been addressed as applicable? See especially the narrative in the Basic Compliance Rules for CDBG regarding Civil Rights/FHEO requirements.
- Insure that cost estimates are professionally prepared.
- Have all administrative, engineering and architectural, and PDC limitations been adhered to on DCA forms 7 & 8?

- Are unit costs reasonable?
- Be sure that architectural and engineering reports are signed and stamped by a certified professional.
- With Streets and Drainage projects:
  - Are design standards identified?
  - What is the standard? (Drainage standards greater or less than a 25-year flood should be explained and justified.)
  - Was a drainage study completed that includes downstream impact?
- With Building projects, has the following information been provided?
  - The legal name of the entity that will own the building.
  - The proposed lease terms: number of years, lease amount, other lease arrangements such as which entity will pay for utilities and insurance, and terms or renewal.
  - Anticipated program income, if any.
  - Other arrangements such as property reversion clauses or liens.
- Read all form instructions.

Strategy (110 points maximum):

The following factors are considered:

1) An analysis of alternative solutions to address the identified problems and the costs of those solutions compared to the alternative chosen

2) As appropriate, an analysis of the steps taken by the applicant to adopt policies or ordinances to prevent the reoccurrence of the specific identified problem (copies of these local policies or ordinances should be included in the application when applicable to document local action on identified problems or for further explanation of local strategies)

3) An analysis of the ongoing financial effort that the applicant has made or will make to address the identified problem and to maintain and operate the proposed project, facility or system

4) The extent of benefit to persons of low- and moderate-income

5) Multi-activity applications will also be compared in terms of the projects' support of comprehensive community or neighborhood conservation, stabilization, and revitalization in addition to the degree of the local government's and resident's support and involvement

Some of the basic components essential in addressing project strategy are as follows:

- A description of the process used to choose the project target area.
- Accurately and clearly describe all the problems and its severity.
- Document the needs described.
- Be sure that the benefit number and cost per person is reasonable.
- The project must principally benefit L/M income persons and meet the required L/M threshold.
- Consider alternatives and propose the most appropriate and cost effective alternative. Provide costs for the alternatives not chosen and explain why the chosen alternative was the most appropriate, price and other things considered.
- Has ongoing operation and maintenance of the proposed project been addressed and documented with letters of intent?
- For area benefit projects, are the boundaries of the target area drawn so that they include the entire area of benefit? Does this area correspond to the area surveyed and addressed in DCA Form 6?
- Is the primary purpose of the proposed project to serve the needs of L/M people (as opposed to a secondary purpose or consideration)?
- With Buildings:
  - Is the proposed site accessible?
  - Is a new level of service being provided?
  - Who is the major beneficiary?

  - Is the proposed benefit number reasonable? (Project only unduplicated beneficiaries over the period of one year. For example, if a senior center has a meal program that is attended by 50 people a day Monday through Friday, the beneficiary count will be 50.)
  - Is there a similar building in the city/county?
  - Have potential environmental impacts including historic structures on site or in the vicinity, archeological sites, etc., been considered?
  - Has the applicant taken into consideration that a Phase One environmental review must be performed as part of the Environmental Review Record?
  - Provide a clear before and after picture of the existing and proposed facility and program, including floor plans, customers served, and programs offered. Consider using a chart to show use and times of use for activities in the proposed facility. If a new or relatively new organization will provide services in a DCA-funded facility, consider preparing a brief business plan to assist in demonstrating the organization's capacity to provide the proposed services.
  - Focus on the needs of clients. The needs of staff are secondary unless they affect clients directly.
  - Discuss why other buildings in the community are not available.
- Provide maps that support your project, including topo maps. (See DCA Form 12 for map requirements.)
- Are the maps provided clear, assisting DCA in understanding both the needs of the target area and the strategy for addressing those needs?
- Is evidence of conformance with the Comprehensive Plan and Service Delivery Strategy included in the application?
- **HAVE THE CLARIFICATIONS REGARDING FINANCIAL ALTERNATIVES DISCUSSED IN THE DCA MEMO DATED FEBRUARY 27, 2008 BEEN ADDRESSED? SEE APPENDIX O.**
- **STATE LAW REQUIRES THAT ALL PROJECTS FUNDED BE CONSISTENT WITH THE COMMUNITY'S ADOPTED SERVICE DELIVERY STRATEGY (O.C.G.A. §36-70-20). HAS A MAP OF THE PROJECT AREA, OR FACILITY, IN RELATION TO THE APPROVED SERVICE AREA FOR THAT ACTIVITY BEEN INCLUDED? KEEP IN MIND THAT *IF THE PROJECT IS NOT COVERED BY THE ADOPTED STRATEGY BY AUGUST 3, 2018, IT WILL NOT BE ELIGIBLE FOR FUNDING. NOTE THAT CERTAIN TYPES OF APPLICATIONS ARE NOT ROUTINELY INCLUDED IN SERVICE DELIVERY STRATEGIES. THESE MAY INCLUDE SENIOR CENTERS, BOYS AND GIRLS CLUBS AND OTHER TYPES OF SERVICES TO LIMITED CLIENTELE.***
- Read all form instructions.

Impact (110 points maximum):

The following factors are considered:

1) the number of persons benefiting
2) the cost per person benefiting (the cost per person is calculated by dividing the total CDBG grant by the total number of people benefiting, i.e., the total population of the target area or the total number of projected clientele to be served)
3) the project's impact on the benefiting population's quality of life, living environment or opportunities for economic advancement
4) an analysis of the documented severity of need, and
5) the impact of the project on the identified need or problem.

Some of the basic components essential in addressing project impact are as follows:

- How many people will benefit?
- What is the cost per person benefiting?
- How does the project impact on the benefiting population's quality of life, living environment or opportunities for economic advancement? Can you substantiate this in any way other than through a good narrative?

- Analyze the documented severity of need and the impact of the project on the identified need or problem.
- Fully describe your application's impact on the need. What percentage of the need will be met?
- With Buildings document overcrowding and other existing building inadequacies with photographs.
- ***To a great extent, an applicant's impact score is determined by the documented severity of need compared to other similar applications.*** The severity of need is often determined by the extent to which the need described affects the health and safety of L/M residents.
- Keep in mind that most well-written applications score well on feasibility and strategy. The impact score often makes the difference between an application that is funded and one that is not.
- Include letters from third parties that provide evidence and validation of need, such as letters from environmental health specialists, EPD consent orders/letters.
- Include letters from residents describing problems shown in the application.
- Provide accurate and detailed photographs, preferably dated, numbered and keyed to a map. High scores are generally possible only when good photographs (dated and keyed to a map) are provided that depict health and safety needs. Photographs for housing projects should show both interior and exterior conditions.
- Include reports from building inspectors on housing applications.
- Include news reports discussing problems shown in the application, if available.
- Avoid low-density population target areas, unless an extremely high need exists.
- Read all form instructions.

Additional Competitiveness Guidance

Applicants are further reminded that proposed projects compete heavily (330 out of 505 total points) on program strategy, impact and feasibility. **For this reason, applicants should supplement funding requests with engineering reports, historic assessments, market studies, etc., in order to adequately and thoroughly address feasibility, impact and strategy questions**. For example, if the historic assessment is conducted at the outset of the project, program design and cost estimates can then be based upon results of the assessment. Engineering reports also address many concerns.

See Part II, Contents of Preliminary Engineering and Architectural Reports, for information on items that should be included in preliminary engineering and architectural reports.

♦ Applicants proposing housing or reconstruction must complete a Financial Plan (see Appendix H), that summarizes proposed activities. The Plan must be attached to DCA-5.

♦ Remember that similar projects will be compared against each other and rated on strategy, impact and feasibility. Applicants are encouraged to invest adequate time and resources to increase the chances that their community's application will compare favorably.

Part IV: INSTRUCTIONS FOR COMPLETING APPLICATION FORMS

Note that all required forms are available at the DCA web site and should be accessed from that site:
http://www.dca.state.ga.us/communities/CDBG/index.asp

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, Block Group ID, project Longitude, Project Latitude, project address, e-mail, and telephone number and area code of the city or county who is making the application. (Note: List all Block Group IDs in the project target area. Do not specify block groups when the entire census tract is covered. If specifying block groups for a project covering more than one census tract, please indicate which tract includes the given block groups.)
- **Item 7 - 12:** 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 13 - 18:** Enter name, job title, agency, mailing address, e-mail, and telephone number and area code of the grant administrator (if known).
- **Item 19:** Briefly title the program (e.g., "Target Area Water Improvements") 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:

  "Provide new water lines and service connections for the Eastside Neighborhood to benefit 53 persons, all of whom are members of low-income households."
- **Items 20 - 23:** Please check the appropriate box.
- **Item 24:** 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 25 & 26:** Enter the number of months that you anticipate implementation will require, together with beginning and ending dates for the program. A start date of October 15, 2018 should be anticipated. **Note that CDBG program requirements expect completion of all projects within 24 months.**
- **Item 27:** Enter amount of CDBG funds requested. **This amount must match the amounts on forms DCA-7 and DCA-8.**
- **Item 28:** Check box to indicate application type.
- **Items 29 & 30:** Application must be executed by chief elected official or other person authorized by resolution to submit the application. **Attach resolution.**

Form DCA-2: 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 funds. Note that a similar form will be used at project completion to collect data on actual accomplishments. Be sure to make an entry for all proposed CDBG funded 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. **Include the proposed accomplishments for the total grant here as well.**

This will usually be the total population of the target area(s).

- **Activity and Measure Columns**: The column labeled "Activity" is a list of various possible CDBG funded activities. The column labeled "Measure" is the corresponding units of measurement used to quantify proposed accomplishments.

  The only entry to these two columns by an Applicant or Recipient would be to enter the type of building (example: Senior Center, Head Start Center, etc.) or the type of "Other Public Facility" (example: Sidewalks, Gas Lines, etc.) if these types of activities are proposed.

- **Proposed Accomplishments Column**: Here the applicant must enter the actual data corresponding to each CDBG funded activity and the corresponding measure. For example, if an applicant proposes to acquire 4 structures, 5 easement parcels, and dispose of 1 parcel, *the following entry would be made:*

Activity	Measure	Accomplishments
Acquisition, Disposition	# structures	4
	# parcels	5/1

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

Form DCA-3: Community-Wide Needs Assessment

This form is no longer required.

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.

- For all applicants, describe the community development needs (i.e., housing, public facilities, economic development) 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.

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 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.

- Housing activities should include descriptions (narrative and photographic) for each unit proposed, including estimates of activity cost (by housing unit) as well as the basis for determining cost. Descriptions of units should illustrate problems in each unit in sufficient detail to justify projected costs.

  Note: When preparing cost estimates keep in mind that the work under the program, if it is

funded, may occur as far as 30 months after submission of the grant application. All housing activities are subject to the "20% Rule" that requires PRIOR DCA approval to exceed the application cost estimate by more than 20% (including change orders).

- Applicants proposing housing rehabilitation or reconstruction must complete a Financial Plan (See Appendix H) that summarizes proposed activities. The Plan must be attached to DCA-5

  Note: Rehabilitation of units built prior to 1978 is required to conform to HUD Regulations 24 CFR Part 35 (Lead Based Paint Poisoning Prevention). The application should demonstrate an understanding of the requirements of this rule.

- 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 Part I 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 most or all of the needs identified in Form DCA-4, whether through proposed CDBG activities or other local efforts. All applicants should also describe how activities will interrelate with each other to address the identified community development needs.

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

The following example is included for guidance.

Activity	***Initiate***	***Completion date***
Award	N/A	October 2018
Complete environmental, floodplain & historic assessment etc.	November 2018	January 2019
Design water system	December 2018	April 2019
Acquisition titles & plats for easements	December 2018	February 2019

Design approvals	May 2019	June 2019
Bidding	July 2019	August 2019
Award and Construction	September 2019	March 2020
Housing rehabilitation policy	November 2018	January 2019
Applications and rehabilitation	February 2019	March 2020
Initiate & complete close-out	April 2020	June 2020

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.

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

Under the CDBG program, applications are required to have at least a 70% benefit to low- and moderate-income persons (51% for economic development and 100% for direct housing activities) for each activity (administrative and contingency budgets are excluded). Income limits are included in this manual as Appendix B. The applicant is also advised to refer to Part I of this Manual for the definition of "low- and moderate-income". In addition, data must be provided to demonstrate compliance with applicable civil rights statutes. Appendix C, *Guide to Acceptable Survey Methodology*, includes a sample of an income survey form applicants may consider using.

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 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.

In the case of public buildings in which a service is provided, list the current total number of persons using the facility and the number who are low- and moderate-income. **Do not provide the number of visits to the facility**. If applicable, also list the projected number of persons to be served and the number of these who are low- and moderate-income.

Also for public buildings, provide the source of the information and indicate how low- and moderate-income status is documented. Note that for certain "limited clientele" buildings, L/M income status is generally presumed to be 100%. This includes elderly persons, handicapped persons, abused children and certain other groups. Contact DCA for guidance if needed.

For certain other public buildings, including health centers, information on family size and income of center users **must** be available to document low- and moderate-income benefit.

When a survey is used to determine the number of persons benefiting and their income status, the following information at a minimum must also be provided in the methodology section of DCA-6:

- ✓ # of households in the target area (geographic area of benefit)
- ✓ # of households interviewed (vacant housing is not counted as households)
- ✓ # of persons living in the households interviewed (minority vs. non-minority)
- ✓ # of low and moderate income households interviewed
- ✓ # of persons living in the low and moderate income households interviewed
- ✓ # of households interviewed in which the income was above the low- and moderate-income levels
- ✓ # of persons living in the households in which the income was above the low- and moderate-income levels
- ✓ Description of how the sample (if any) was selected and how the total number of households in the target area was determined. To be a valid sample survey the sample must be a "random sample" chosen using an acceptable methodology. Please use DCA's *Acceptable Survey Methodology* publication (see Appendix C) for guidance in this area.

- ✓ Description of how the survey was completed, including who did the interviews, when they were completed (time and day) and other details.
- ✓ **A copy of the actual survey form used must be provided.**

Note that the total number of people benefiting on DCA-6 (total of column 2) may not reconcile to the total number of people benefiting on DCA-2. Some activities are combined on DCA-2 to form larger HUD-recognized categories that DCA must use in reporting beneficiaries to HUD.

Form DCA-7: Budget Summary

- **Part A** of this form should include an assessment of CDBG funds budgeted for the project. Please review the Eligible Activities section in Part I 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 (a), enter the amount allocated for each type of activity being undertaken to deal with housing need(s) funded by [Reserved], if any;
  - ✓ In column (b), enter the amount allocated for each type of activity being undertaken to deal with housing need(s) funded by CDBG, if any.
  - ✓ In column (c), enter the amount allocated for each type of activity being undertaken to deal with public facility need(s), if any.
  - ✓ 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 columns (a), (b), (c), and (d) for each type of activity listed.
  - ✓ Please refer to the Eligible Activities section in Part I, Appendix A, and Appendix G, for assistance in determining the eligibility of specific activities.
  - ✓ General Administration (line 50) - Enter the eligible CDBG 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 grant requested from DCA.
  - ✓ Line 2: Refers to [Reserved] grants.
  - ✓ Line 3: 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 4: 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.
  - ✓ Line 5: 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 6: 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 7: Enter and identify private lender contributions or commitments
- ✓ Line 8: Enter and identify other funds, such as private commitments in support of the program. Provide documentation of private commitment to enhance competitiveness and for calculation of the leverage score.

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.

Note that a **cash match** contribution is required of all projects except for CDBG single-activity housing applications as follows: a) 0% for amounts up to $300,000 in CDBG funds; b) 5% for amounts from $300,001 to $750,000 in CDBG funds; c) 10% of amounts from $750,001 to $1,000,000 in CDBG funds.

The minimum required cash match to receive a $750,000 grant would therefore be $22,500, and to receive a $1,000,000 grant would be $47,500. The first $300,000 is always match free. Although the match must be a cash match and cannot consist of in-kind services, its source can be local public funds, other state or federal funds, or private investments or contributions. Whatever the source, it must be evidenced by a firm written commitment to be counted as match (either a resolution or letter).

Match funds cannot be used for contingency costs.

Finally, please note that DCA will assign "leveraging" points for other funds and resources, over and above the required minimum cash match. All leverage claims must be listed on this form. Leverage will also include documented fees/in-kind donations for planning and preliminary engineering services specific to the CDBG project paid, invoiced, or otherwise documented prior to application submission. A separate letter must be included documenting any funds/services to be included as leverage. Please see the section on *Leverage of Additional Resources* in this manual for more complete instructions on what may be counted as leverage.

In accordance with applicable regulations, preliminary costs such as engineering estimates or fees for preparation of applications spent prior to a formal award are ineligible costs and may not be reimbursed or recovered if a grant award is made. However, the portion of these costs directly attributable to the submitted project may be counted as match or leverage. DCA will count up to $5,000 each toward the cost of grant writing services or the cost of preliminary engineering/architectural reports provided that adequate documentation is included in the application.

- **Line item instructions**
  - ✓ In **column 1**, list the activity name and number. See note on numbering system on page 55.

- ✓ In **column 2**, briefly itemize CDBG 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 the application. The purpose of this form is to allow a review panel to compare unit costs. Be sure to provide units and costs (i.e., "construct 5,000 SF health center @ $75 SF -- total cost: $375,000).

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

  Housing applications including rehabilitation activities for units constructed prior to 1978 should budget an additional 25% of the total estimated rehabilitation cost to fund compliance with lead-based paint regulations.

  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 Part II of this manual that addresses *Limitations on Administrative and Professional Fees.*

  Preliminary (pre-award) fees are not reimbursable. CDBG funds may not be allowed for total proposed engineering fees if sufficient justification is not provided. Documented pre-award fees paid for planning and legitimate preliminary engineering services (in-depth and well-documented studies, etc.) specific to the CDBG project may be shown as leverage in **column 5**. Fees paid and donated services for the preparation of an application may also be eligible as leverage.

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

- ✓ 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", match and leverage (not CDBG) 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 leverage 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. IN ORDER TO BE CONSIDERED FOR CREDIT FOR LEVERAGE CONTRIBUTIONS, A VALUE MUST BE PLACED ON THESE CONTRIBUTIONS IN COLUMN 5. The following is an example of how Form DCA-8 may be completed

The following is an example of how Form DCA-8 may be completed*:*

(Space Intentionally Left Blank)

1 *Name/Number*	*2* *Itemized Unit Cost*	*3* *CDBG Funds*	*4* *[Reserved] Funds*	*5* *Other Funds*	*6* *Total*
A-03j-01 Waterlines	Construction	$300,000 (see Eng. Report)		$10,000 (Local Cash)	$310,000
	Engineering and inspection, etc. (See Eng. Report)	$30,000		-0-	$30,000
	Administration & Audit	$13,000		-0-	$13,000
	Resurfacing at culvert locations by DOT (see DOT letter)	-0-		$10,000 GA DOT	$10,000
	ROW Restoration, etc.			$10,000 Any Town	$10,000
7.	**Totals**	**$343,000**	**-0-**	**$30,000**	**$373,000**
8.	**Narrative for Match and Leverage Funds:** The City of Any Town will use its crews to perform fine grading and grassing, right of way restoration, clean-up, etc. This cost is estimated at $10,000. Please see attached letter. Also see attached letter committing local cash and the **8.**attached letter from GA DOT.				

Form DCA-9: Environmental Review Checklist

***Note*:** *This form is self-explanatory*.

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 OFFICIALS THOROUGHLY REVIEWS THIS DOCUMENT PRIOR TO SIGNING.

Form DCA-11: Cooperating Agreement

***Note*:** *This form is self-explanatory.*

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.**

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

- Project activity location(s). For housing and multi-activity projects this includes all existing conditions described on Form DCA-4 and the proposed improvements identified on Form DCA-5 (i.e., house-by-house analysis of renter / owner, occupied / vacant, standard / deteriorated / dilapidated, acquisition / relocation / demolition, conventionally-built / manufactured homes, lot sizes, etc.). **All project activity maps should include existing land use information, i.e., lot lines, housing, commercial, and industrial units, and if possible, whether units are owner or renter occupied.**
- For public facility activities 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 the applicant's jurisdiction, the location of areas of concentration of low- and moderate-income persons, using DCA's online mapping tool at http://georgia-dca.maps.arcgis.com/home/.
- For the applicant's jurisdiction, the location of areas of concentrations of minorities, using DCA's online mapping tool at http://georgia-dca.maps.arcgis.com/home/; and
- For the applicant's jurisdiction, the location of areas of concentration of housing deficiencies, using DCA's online mapping tool at http://georgia-dca.maps.arcgis.com/home/.
- ***NOTE THAT STATE LAW REQUIRES THAT ALL PROJECTS FUNDED BE CONSISTENT WITH THE COMMUNITY'S ADOPTED SERVICE DELIVERY STRATEGY (O.C.G.A. §36-70-20). A MAP OF THE PROJECT AREA, OR FACILITY, IN RELATION TO THE APPROVED SERVICE AREA FOR THAT ACTIVITY MUST BE INCLUDED WITH THE APPLICATION. KEEP IN MIND THAT IF THE PROJECT IS NOT COVERED BY THE ADOPTED STRATEGY BY AUGUST 3, 2018, IT WILL NOT BE ELIGIBLE FOR FUNDING. NOTE THAT CERTAIN TYPES OF APPLICATIONS ARE NOT ROUTINELY INCLUDED IN SERVICE DELIVERY STRATEGIES. THESE MAY INCLUDE SENIOR CENTERS, BOYS AND GIRLS CLUBS AND OTHER TYPES OF SERVICES TO LIMITED CLIENTELE.***

Note: In cases when 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 CDBG service area(s).

Any required information excluded from required maps may lead to a reduction in the strategy score.

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.

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 funds being requested; the amount of any CDBG program income that will be used with the CDBG grant; and the total amount of CDBG 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 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." <u>All consultants, developers or contractors involved in the application for CDBG assistance, or in the planning, development or implementation of the project, must be identified as an interested party.</u> Also, any other person or entity that has a pecuniary interest in the project that exceeds $50,000 or 10 percent of the CDBG 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 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 funded project. The sources and uses must include all the other assistance identified in Part III as well as the CDBG funds identified in Part I, items 3a, and 3b).

Part VI requires the certification of the Chief Elected Official.

Form: Civil Rights Compliance Certification

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

Form: Evidence of Compliance with System for Award Management

All applicants must ensure they have a current SAM account and must submit documentation of the account with the application. See sample provided.

Form: Acknowledgement of Subrecipient Language Access Plan Requirement

All applications must submit the required Acknowledgement with the application.

Form: Language Access Plan Threshold Certification

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

PART V: APPLICATION FORMS

Index to Forms

Form	*Title*	*Page*
N/A	Note on Activity Numbering System	73
DCA-1	Application Summary	DCA-1
DCA-2	Summary of Proposed Accomplishments	DCA-2
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DCA-9	Environmental Review Information	DCA-9
DCA-9A	DNR/HPD Environmental Review Form	DCA-9A
DCA-10	Certified Assurances	DCA-10
DCA-11	Cooperating Agreement	DCA-11
DCA-12	Map(s)	DCA-12
DCA-13	CDBG Disclosure Report	DCA-13
N/A	Civil Rights Compliance Certification	
N/A	Evidence of Compliance with System for Award Management (SAM)	
N/A	Acknowledgement of Subrecipient Language Access Plan Requirement	
N/A	Language Access Plan Threshold Certification	

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:

- The prefixes indicate the purpose of the activity as follows:
  - A = Administration
  - C = Contingencies
  - E = Economic Development
  - H = Housing
  - P = Public Facility
  - T = Engineering
  - S = Architecture

- 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
- H-001-00 = Acquisition of Property for Housing
- A-21A-00 = Grant Administration
- C-022-00 = Contingencies