

# Nebraska

Community  
Development  
Block Grant

# Program

## 2010

### **Comprehensive Revitalization** **Application Guidelines**

For Formula Funding Allocations to non-entitlement  
Communities between 20,000 and 49,999 in population

A program of the Nebraska Department of Economic Development  
Community and Rural Development Division

NEBRASKA  
possibilities...endless<sup>SM</sup>

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*Revised January 2010*

*Individuals who are hearing and/or speech impaired and have a TDD, may contact the Department through the Statewide Relay system by calling (711) INSTATE, (800) 833-7352 (TDD) or (800) 833-0902 (voice). The relay operator should be asked to call DED at (800) 426-6505 or (402) 471-3111.*

# BASIC INFORMATION FOR APPLICANTS

## A. Comprehensive Revitalization Category – State Objective:

The state CDBG objective of the Comprehensive Revitalization Category is to provide flexible investments in housing and infrastructure to carry out a comprehensive strategy of revitalization to stabilize and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes.

## B. How and What Projects May be Assisted:

The primary national objective of the CDBG Program is the “development of viable urban communities by providing decent housing and a suitable living environment, particularly for low and moderate-income persons.” All project activities submitted for funding with Comprehensive Revitalization funds must meet the national objective of benefit to low and moderate income.

Eligible activities are those identified as State Priorities in the Housing and Public Works categories such as housing rehabilitation or homebuyer assistance programs; neighborhood centers or senior centers of a single or multipurpose nature designed to provide public recreational and social activities; nonprofit centers for day care, dependent care, primary health and mental health care outpatient clinics (excluding shelters defined as: hospitals, nursing homes, convalescent homes, battered spouse shelters, shelters for the homeless, halfway houses, group homes, temporary housing); accredited public libraries; single or multi-service fire/rescue buildings (fire trucks are specifically considered “public facilities” and thus eligible); removal of architectural barriers for accessibility; water distribution (only if system service connections are or will be metered) and/or sanitary sewer collection system improvements (lines on private property are eligible under LMH national objective); bridge and/or street improvements including curb, gutter, and sidewalk; storm sewer improvements; flood control (designed to influence or affect the flow in a natural water course such as a river, stream or lake); drainage improvements (i.e. retention ponds or catch basins); and tornado-safe shelters in manufactured home parks (containing not less than 20 manufactured housing units that are within such proximity of shelter to be of use in a tornado); and neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement). When in support of any of the above activities, acquisition, clearance, and code enforcement activities may be undertaken.

For more information see *Sections 3.01-3.04 of the Application Guidelines.*

## C. Grant Amount, Leverage and Distribution of Comprehensive Revitalization Category Funds:

DED will conditionally guarantee grant awards in 2009, 2010 and 2011 under the Comprehensive Revitalization Category for seven non-entitlement local governments, between 49,999 and 20,000 population, based on the greater amount for either: a minimum funding level of \$175,000 or the formula allocation. The formula allocation is based on the number of low- and moderate-income persons residing in the community. Funding allocations are determined by dividing the amount of CDBG Program funds available for distribution in the Planning,

Downtown Revitalization, and Community Development categories (excludes Economic Development, Planning and Tourism Development categories) by the total number of low and moderate-income (LMI) persons residing in the non-entitlement areas of the state multiplied by the number of LMI persons residing in the eligible community. The source of the LMI persons is the U.S. Department of Housing and Urban Development calculations from 2000 Census data.

The seven participating out of eight eligible communities and approximate funding allocations for the 2010 grant awards (based on \$5,480,932 available for 2010 Planning, Downtown Revitalization, and Community Development Priority distribution, divided by a non-entitlement LMI population of 411,329 equals \$13.3249/capita, multiplied by the respective number of LMI persons).

City	LMI pop.	Formula	Allocation
Bellevue	16,442	\$ 219,088	\$219,088
Columbus	8,107	\$ 108,025	\$175,000
Fremont	9,502	\$ 126,613	\$175,000
Grand Island	17,348	\$ 231,174	\$231,174
Kearney	10,203	\$ 135,954	\$175,000
Norfolk	9,648	\$ 128,559	\$175,000
North Platte	10,087	\$ 134,408	\$175,000
	81,337		\$1,325,262

All activities, except general administration, require 1:1 leverage. Proposed leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefiting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period. Consideration for leverage will be given for such sources as public/private cash, loans and program income from prior awards.

Up to 7% of the community allocation may be used for General Administration. Up to 7% of a housing rehabilitation activity may be used for housing management. These funds are in addition to the CDBG CR funds allocation for each city. General Administration and Housing Management activities require no matching funds.

Up to 25% of each community’s allocation can be used for activities eligible for assistance under the Downtown Revitalization funding category; provided that such activities were identified as needs in the comprehensive needs assessment, and provide a benefit to low/moderate income residents of the community.

Grantees with open Comprehensive Revitalization awards cannot apply in any CDBG Housing, Water Wastewater or Public Works category. Grantees with open Comprehensive Revitalization awards may apply in Economic Development, Planning, and Tourism Development categories.

## D. Application Submission, Threshold and Review Criteria:

Seven of eight eligible communities were awarded funds in May 2009 to complete a Comprehensive Needs Assessment and a Revitalization Strategy. The communities completed

Comprehensive Needs Assessment studies to identify all areas of low and moderate-income concentrations and inventoried all types and degree of housing and community development needs within each area (HUD Census data is available that identifies LMI areas in each community; however, proposed activities that do not coincide with these boundaries were supplemented by income survey of the activity service area). The Comprehensive Revitalization Strategy and needs assessment studies were submitted and the seven communities were selected to participate in three years of annual CDBG funding for meeting the needs of LMI persons in the designated areas of the community's strategy. Prior to funding each of the three years an updated Assessment/Strategy and Comprehensive Revitalization will be submitted indicating the progress and improvements conducted in the project areas.

Eligible communities interested in the three year (2009-2011) Comprehensive Revitalization category submitted a Comprehensive Revitalization application to DED by April 15, 2009 to complete a Comprehensive Needs Assessment and a Revitalization Strategy, which may be an update or revision to the strategy submitted for 2005-2008 period. The Comprehensive Needs Assessment must identify all areas of low and moderate-income concentrations and inventory all types and degree of housing and community development needs within each area (HUD Census data is available that identifies LMI areas in each community; however, proposed activities that do not coincide with these boundaries must be supplemented by income survey of the activity service area). All types of needs should be considered whether eligible for state/federal CDBG or not eligible. The Revitalization Strategy must identify a one, two and three year action plan to meet the needs of the LMI neighborhood(s) selected for investment. The Needs Assessment and Revitalization Strategy process must involve citizen participation, particularly LMI residents, in all development and implementation phases. The maximum Assessment/Strategy grant amount available is \$12,000 and requires a minimum 25% cash match (\$12,000 CDBG with \$4,000 Local for a \$16,000 Assessment/Strategy). General administration activities shall not exceed 7% of the CDBG funds awarded or \$1,000, whichever is greater. Funding awards are anticipated by May 20, 2009. The Assessment and Strategy documents were completed and submitted for DED review on or before November 20, 2009.

For a suitable Assessment/Strategy, DED will recommend that a Comprehensive Revitalization application for 2009 Action Plan-Phase I funding be submitted to DED on or before January 29, 2010. It is anticipated that awards will be announced on or before February 26, 2010 and funds must be expended by August 29, 2010.

For communities meeting timely expenditure rates, it is anticipated that an updated Assessment/Strategy and Comprehensive Revitalization application will be submitted in April 2011 for 2010 Action Plan-Phase II funding and June 2012 for 2011 Action Plan-Phase III funding. The updated Assessment/Strategy must include program performance and any needs that remain unmet in the selected target areas. The identified needs of the initially selected target area(s) must be substantially addressed before investments in any new target area(s) can be proposed.

During the Assessment/Strategy and Application process, DED may require revisions before the documents can be approved. If this is necessary, communities will be allowed a maximum 30 days to conduct appropriate revisions and re-submit the requested documents to DED. Communities that fail to meet

these deadlines will forfeit their Comprehensive Revitalization funding allocation.

#### Comprehensive Revitalization Milestone Summary

Complete Needs Assessment/Strategy May 20 – Nov. 20, 2009  
2009 CR application for Phase I due January 29, 2010  
Phase I implementation Feb 26, 2010 – Aug 29, 2010  
2010 CR application for Phase II due April 15, 2011  
Phase II implementation July 1, 2011 – Aug 31, 2012  
2011 CR application for Phase III due June 16, 2012  
Phase III implementation July 2, 2012 – Aug 30, 2013

Threshold requirements must be met prior to application review. Applications will not be considered and returned if the following threshold requirements are not met:

- applicant is eligible;
- activities are eligible and comply with national CDBG objectives and state CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions under way that may significantly impact its capacity;
- applicant is following a detailed citizen participation plan and anti-displacement plan;
- applicant has adopted authorizing participation resolution;
- applicant must have addressed and cleared all compliance problems (i.e. Davis-Bacon, acquisition, fair housing, etc.), if any, from past awards and have response accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.)
- 2010 applicant has drawn down 90% of any 2008 CDBG funds and 100% of any 2007 or prior year CDBG funds (this requirement excludes Economic Development, Comprehensive Revitalization, and Tourism Development CDBG funds).

The percentage for funds drawn down shall be figured by DED based on the final application acceptance date, except when an applicant is awarded funds after initial award date, obligated and drawn down funds shall be based on a proportionate number of months lapsed since initial grant award. DED shall contact an applicant if additional information is required.

#### **E. Post Award Requirements**

Consideration should be given to a variety of Federal and State regulations that can have scheduling or cost implications. Among these are:

- 1) **Records.** All information on grant-assisted activities must be retained for four years following completion and closeout of the grant. During the grant period, performance reports are required semi-annually.
- 2) **OMB Circular A-133.** Local governments and non-profits that expend \$500,000 or more of federal funds must conduct a Single Audit of federal and local funds.
- 3) **Davis-Bacon Act.** This and related acts require that prevailing wage rates be paid to all employees working on a construction contract of \$2,000 or more.
- 4) **Acquisition/Relocation.** The Uniform Relocation and Real Properties Acquisition Act (URA) applies to all federally

assisted activities that involve the acquisition of real property or the displacement of persons. If CDBG funds are used in any part of the project, the URA would govern the acquisition of real property, including permanent easements, and any resulting displacement, even if local funds are used to pay the acquisition costs. The URA requirements may include: formal notification of the affected property owner(s), preparation of an appraisal to determine fair market value, and a written purchase offer based on an amount determined to be fair market value. The only exception is a voluntary transaction that meets certain criteria.

Regulations emphasize anti-displacement. However, if displacement is necessary, relocation assistance must be provided to persons displaced by rehabilitation, acquisition, demolition, or the conversion of units for use other than low-to-moderate income dwelling units. Grantees will be required to replace every occupied unit that is demolished or converted with CDBG funds on a one-for-one basis within a three-year period.

- 5) **Procurement.** Open and free competition on solicitation of professional services or construction bidding is also required in most cases. If the applicant intends to use CDBG funds to pay all or a portion of fees, or intends to claim fees as match, then CDBG procurement guidelines must be followed. For more information see *Section 5.05* of the *Application Guidelines*.
- 6) **Environmental Review.** Grant recipients are required to obtain appropriate environmental clearance for their projects and to maintain an Environmental Review Record for each project. The environmental review and Request for Release of Funds/Certification, if required, must be completed before the grantee, or any participant in the development process, incur costs against the project.
- 7) **Special Assessments.** Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used "to pay" the special assessment on behalf of all properties owned and occupied by low- and moderate-income persons. For more information see *Section 3.02 (3)*.
- 8) **Equal Opportunity, Fair Housing, and Handicap Accessibility.** Laws require that CDBG grantees administer their projects in a manner that affirmatively furthers fair housing and equal opportunity. All grantees will be required to undertake specific activities to further fair housing. Grantees must also assure that all activities and services are accessible to those with disabilities.
- 9) **International Energy Conservation Code.** Most new construction or substantial rehabilitation of buildings must meet the 2003 International Energy Conservation Code, as required by 72-804-806 NRRS, and provide for Nebraska Energy Office (NEO) review of plans and specifications (at no cost) that meet said standards. This applies to lighting, heating, cooling, ventilating, or water heating equipment or controls, as well as building envelopes. As an alternate compliance method when a licensed architect and/or engineer have designed a subject building, a Designer Certification may be submitted to NEO instead of building plans and specifications. The certification form, which will be provided by the NEO, will attest that the building design complies and provide summary information about the design.

When the Energy Office has determined that a subject building complies, or has received documentation of alternate compliance, it will provide a Verification of Construction form on which it must be certified that the building is constructed substantially according to the plans. At key points during construction, the building should be inspected to verify that insulation and other envelope components, and all specified lighting, heating, cooling, ventilating and water heating equipment and controls are installed as indicated on the plans. The Verification of Construction form must be signed and returned to the Energy Office within twenty (20) days following substantial completion.

Contact NEO at 402/471-2867 for a copy of the code.

- 10) **Continued Use.** All community facilities assisted with CDBG funds must remain in the same use for five years after grant closeout. For more information see 24 CFR 570.489.

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## Nebraska Department of Economic Development

### Community and Rural Development Division:

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Staff list Rev. January 2010



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## **PART I: GENERAL INFORMATION**

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Type or print all information except where signatures are required.

**Box 1:** Enter the name, mailing address, and telephone number of the local government that is the applicant in an individual application or the lead applicant in a joint application. Enter the name and phone number of the local government contact person. Such person is the **applicant's employee who is most familiar with the application**, and not a circuit rider, regional council or community action agency staff person, consultant or other applicant non-employee. Include the Federal Tax Identification number of the Applicant. DUN's number- <http://fedgov.dnb.com/webform/displayHomePage.do> or call D&B at 866-705-5711 or for persons with a hearing impairment, the TTY number is 866-814-7818.

**Box 2:** Enter the name, mailing address and telephone number of the person who prepared the application. If prepared by a firm, identify the staff contact person. Check the appropriate application preparer status box. Include the Federal Tax Identification number of the firm, development district, or nonprofit. If the application preparer is not affiliated with one of the above organizations, include preparer's social security number.

**Box 3:** Check the appropriate Development Category box under which funds are being requested.

**Box 4:** Check the appropriate application type box under which funds are being requested.

**Box 5:** Enter the dollar amounts of CDBG funds requested for this project. Enter the amount of all other funds identified in the application that you are committing to this project. **Round amounts to the nearest hundred dollars.** (Other funds include leveraged funds. "Leveraged Funds" are those CDBG eligible project funds that are non-CDBG resources committed to the project. For example, a \$100,000 CDBG activity requires a minimum commitment of \$100,000 non-CDBG funds leveraged.) Be certain that the figures are correctly added, and are the same as provided on the "Total" line for each funding source in Part II.

**Box 6:** Give a short description of the project activities in measurable terms for which funds are requested. Include a list of other applicants if a joint application is being submitted. For a joint application, or "on behalf of" application, attach a copy of the written agreement as stipulated in *Section 1.03(3)*.

**Box 7: Only the signature of the applicant's chief elected official will be accepted.** Alternate signatures (e.g. city council president, city manager) are not allowed, except where there exist extenuating circumstances (e.g. chief elected official is out for an extended period), and the applicant receives prior written approval from DED. Type the name and title of both signers and the date of their signatures.

## **PART II: FUNDING SUMMARY**

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Using the activity code number and description provided on the Funding Summary, enter the national objective code for each activity (as identified on the application form).

Enter the dollar amount of CDBG funds requested for each activity. Enter the amount of other funds **that you are committing** to each activity and identify the source. Try to select the single most specific code to describe the nature of the activity being funded. For example, if property will be acquired and a senior center will be constructed with CDBG funds, code the activities 0091 Senior Center rather than 0010 Acquisition. You would include appraisal, acquisition, architectural, and construction costs with 0091 Senior Center. You would include costs for environmental review, fair housing activities, labor standards enforcement, record keeping, progress reports, general office expenses, contractual services for administration, and audits under Code 0181 General Administration.

Limit Funding Summary to allowable CDBG eligible costs incurred during the CDBG program period only. Exclude any "other" project costs not eligible for CDBG reimbursement or match (i.e. test holes completed, preliminary architectural or engineering fees incurred or obligated prior to Release of Funds, fees for services not procured by CDBG guidelines, equipment or furnishings not affixed to building, etc.).

**Round amounts to the nearest hundred dollars. Identify the sources of other funds. PLEASE be certain that the figures are correctly added and the column totals are the same as provided in Box 5 of Part I**

**COMMUNITY REVITALIZATION CATEGORY**

**PART II. FUNDING SUMMARY (Round amounts to the nearest hundred dollars.)**

Activity Code Activity	*National Objective	CDBG Funds	Other Funds	Total Funds	Sources of Other Funds
0010 Acquisition/Easements	1				
0030 Clearance/Demolition	1				
0050 Disposition	1				
0070 Public Facilities					
0081 Day Care Centers					
0082 Health Care Clinics					
0090 Community Centers					
0091 Senior Centers					
0092 Public Libraries					
0093 Fire Station/Equipment					
0230 Streets/Bridges					
0250 Storm Sewers					
0300 Water/Sewer					
0320 Water/Sewer Hookups	LMH				
0370 Flood/Drainage Facilities					
0450 Relocation	1				
0490 Architectural Barriers					
0520 Direct Homebuyer Assist	LMH				
0530 SF Housing Rehab					
0561 MF Housing Rehab	LMH				
0580 Housing Management	LMH				
0580 Risk Assessment/Testing	LMH				
0590 Commercial Rehab					
0180 Total Non-Administration					
0181 General Administration					
<b>1000 TOTAL PROGRAM COSTS</b>					

<sup>1</sup>Must correspond to National Objective for primary activity.

Clarification for the above activities should be directed to DED.

**\*NATIONAL OBJECTIVE:** Enter most appropriate national objective code for each activity. Refer to Section 2.01.

**LMA:** Benefit Low/Moderate Income Persons on an area basis

**LMC:** Benefit Low/Moderate Income Persons on a limited clientele basis

**LMH:** Benefit Low/Moderate Income Households

**SBA:** Activities benefiting slums/blight on an area basis

**SBS:** Activities benefiting slums/blight on a spot basis

**PAGES MAY BE TWO HOLE PUNCHED AT TOP BUT DO NOT BIND, FOLD OR STAPLE.**

## **PART III: 2010 CDBG CR.....PROJECT APPLICATION INSTRUCTIONS**

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DED recommends that the Comprehensive Revitalization application for 2010 Action Plan- Phase II funding be submitted to DED on or before April 15, 2011. It is anticipated that 2010 CDBG CR awards will be announced on or before May 16, 2011 and funds must be expended by August 31, 2012

Please submit the unbound original (and one copy) of Part I General Information, Part II Funding Summary, Part III Project Description, and Part IV Budget to DED by April 15, 2011. Include Part V Required Exhibits with original only. Please provide the Part III Project narrative as follows and number all pages in sequence at the bottom of each page.

### **Item 1: Project Description:**

Explain in detail each of the proposed uses of CDBG funds in this program year (numbers, measurable quantities, locations, customers and area benefiting from individual activity and other information necessary to clearly define the proposal. Explain the relationship of proposed activities to the Needs Assessment and Revitalization Strategy developed for the target area.

### **Item 2: Outcomes and Evaluation:**

Describe activity outcome(s) or effect(s) on users (new or increased level of service available, accessible or affordable). Describe the degree to which the proposed accomplishments will reduce or eliminate the need(s) in the area, and any plans to address what need(s) remains.

### **Item 3: Project Planning:**

Provide a chronological list of the planning process to date for the proposed project. Include alternatives considered, preliminary design, energy savings, consultation on environmental impacts, how cost estimates were determined, and status of necessary agreements or permits, etc.

## **PART IV: PROJECT BUDGET**

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Provide the following information on sheet(s) of paper behind Part III of the application. Information provided in this section will be used to evaluate the accuracy and reasonableness of activities and cost estimates shown in the application. Indicate the date and source of cost estimates.

### **Project Delivery Costs**

Provide a breakdown of the major tasks/costs for the project. If the project includes work to be performed by volunteers or in-kind contributions by the local government or other organizations, include the value of the volunteer or in-kind donations under the appropriate budget line item.

## **PART V: REQUIRED EXHIBITS**

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The following EXHIBITS include certification and documentation requirements of grant applicants. These EXHIBITS must be submitted with the application.

- **EXHIBIT A** - Notice of Public Hearing (including Proof of Publication or Certificate of Posting and summary of citizen's comments)
- **EXHIBIT B** - Authorizing Resolution (Original or Certified copy)
- **EXHIBIT C** - Statement of Assurances and Certifications

List the sources and amount of other funds necessary for completing the project's activities. For each source indicate the status of the commitment (commitment letter attached or pending award date of . . . or no contact, etc. If all funds not committed, CDBG award will be conditioned on securing commitment within 3 months of award).

**For proposed homebuyer activities attach program guidelines addressing items listed in Appendix 3. For proposed owner rehabilitation activities, attach program guidelines addressing items listed in Appendix 4.**

Identify measurable benchmarks and outline a schedule for project implementation (typical benchmarks include: securing administrative and engineering services, completing environmental review, completing land acquisition, completing plans/specifications, obtaining permits and approvals, solicit construction bids, award contracts, construction start and completion).

### **Item 4: Complimentary Projects:**

Explain in detail the projects planned in the target area, consistent with the revitalization strategy, which may be completed with funding sources other than CDBG. Identify amount of said funds and degree to which funds have been committed to the project.

### **Item 5: National Objective**

Provide a narrative description with documentation of how each CDBG funded activity complies with the national objective of benefit to low- and moderate-income persons (see *Section 2.01*).

### **Administration Costs**

The **general administration** (activity number 0181) budget includes those costs that are administrative in nature with the exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc. Common line item costs are environmental review, fair housing activities, financial audit (if necessary), preparation of required grant progress reports and drawdowns. If many of the general administration duties are to be performed by local government personnel, it is acceptable to use salaries and benefits as a line item cost. However, it should be noted what specific duties are to be performed under the salaries and benefits line item.

- **EXHIBIT D** - Residential Antidisplacement and Relocation Assistance Plan
- **EXHIBIT E** - Low-and Moderate-Income Worksheet (Census data or Limited Clientele data may be substituted).

## **NOTICE OF PUBLIC HEARING ON APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

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NOTICE IS HEREBY GIVEN that on (Date) in the (Place) the (Name of the Local Government Unit) will hold a public hearing concerning an application to the Department of Economic Development for a Community Development Block Grant. This grant is available to local governments for community development activities.

The (Name of the Local Government Unit) is requesting (exact amount of funds) for (Detailed project description that must include: all project activities to be undertaken; the requested amount of funds for each activity; the estimate of the total amount of requested CDBG funds that will benefit low- and moderate-income people; the amount and source of local/other matching funds, if any; and the plans for minimizing displacement of people as a result of CDBG activities and for assisting persons actually displaced.)

The grant application will be available for public inspection at (place). All interested parties are invited to attend this public hearing at which time you will have an opportunity to be heard regarding the grant application. Written testimony will also be accepted at the public hearing scheduled for (time), (date), (address, room number). Written comments addressed to (contact person) at (address) will be accepted if received on or before (date).

Individuals requiring physical or sensory accommodations including interpreter service, Braille, large print, or recorded materials, please contact (contact person) at (address, phone number) no later than (date).

**This language must be used for the official public hearings. Either Proof of Publication or Certificate of Posting must be submitted together with a summary of citizen comments.**

Please Note: At this hearing, specific CDBG program requirements and related project issues should be reviewed. For example, if taxes or user charges will need to be increased as part of financing the project, it is especially important that residents understand the necessity of raising funds. This discussion should specifically be reflected in meeting minutes.

# RESOLUTION AUTHORIZING CHIEF ELECTED OFFICIAL TO SIGN AN APPLICATION FOR CDBG FUNDS

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## --Sample Format--

Whereas, the (Name of the Local Government Unit), Nebraska, is an eligible unit of a general local government authorized to file an application under the Housing and Community Development Act of 1974 as amended for Small Cities Community Development Block Grant Program, and,

Whereas, the (Name of the Local Government Unit), Nebraska, has obtained its citizens' comments on community development and housing needs; and has conducted public hearing(s) upon the proposed application and received favorable public comment respecting the application which for an amount of (amount of money) for (description of the project); and,

NOW, THEREFORE, BE IT RESOLVED BY

(Controlling Governmental Body) of (Name of the Local Government Unit), that the (Title of Chief Elected Official) be authorized and directed to proceed with the formulation of any and all contracts, documents or other memoranda between (Name of the Local Government Unit) and the Nebraska Department of Economic Development so as to effect acceptance of the grant application.

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Use the language in this sample and provide an original signature or a certified copy of the authorizing resolution.**

# **APPLICANT'S STATEMENT OF ASSURANCES AND CERTIFICATIONS**

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The \_\_\_\_\_ (Name of the Local Government Unit) \_\_\_\_\_ (Applicant) hereby assures and certifies to the Nebraska Department of Economic Development (the Department) regarding an application for Community Development Block Grant (CDBG) funds, the following:

## **THRESHOLD CERTIFICATIONS**

1. There are no significant unresolved audit findings relating to any prior grant award from the federal and/or state government which would adversely affect the administration of this grant.
2. No legal actions are underway or being contemplated that would significantly impact the applicant's capacity to effectively administer the program, and to fulfill the CDBG program; and
3. No project costs have been incurred which have not been approved in writing by the Department.

## **FEDERAL COMPLIANCE CERTIFICATIONS**

4. It will adopt and follow a residential anti-displacement and relocation assistance plan which will minimize displacement as a result of activities assisted with CDBG funds.
5. It will conduct and administer its programs in conformance with:
  - a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and the regulations issued pursuant thereto (24 CFR Part 1).
  - b. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing and the provision of brokerage services.
  - c. The Fair Housing Act of 1988 (42 USC 3601-20) and will affirmatively further fair housing.
6. It will not attempt to recover any capital costs of public improvements assisted in whole or part by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (1) grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than grant funds, or (2) for purposes of assessing any amount against properties owned and occupied by persons of LMI who are not persons of very-low income, the recipient certifies to the State that it lacks sufficient grant funds to comply with the requirements of clause (1).
7. It will comply with all provisions of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited previously as well as with other applicable laws.

## **CITIZEN PARTICIPATION PLAN CERTIFICATION**

8. It certifies that a detailed citizen participation plan is on file which includes:
  - a. Providing and encouraging citizen participation with particular emphasis on participation by lower-income persons who are residents of slum and blight areas in which funds are proposed to be used to include target areas as identified in the application.
  - b. Providing citizens with reasonable and timely access to local meetings, information, and records relating to the applicant's proposed and actual use of funds.
  - c. Furnish citizens with information, including but not limited to, the amount of CDBG funds expected to be made available for the current fiscal year, including CDBG funds and anticipated program income; the range of activities that may be undertaken with CDBG funds; the estimated amount of CDBG funds to be used for activities that will meet national objective of benefit to low- and moderate-income people, and the proposed CDBG activities likely to result in displacement and the grantee's anti-displacement and relocation plans.
  - d. Providing technical assistance to groups representative of persons of low and moderate income that request such assistance in developing groups. The level and type of assistance is to be identified with the plan.
  - e. Provide for public hearings, for the purpose of obtaining citizen's views and responding to proposals and questions. The hearings must cover community development and housing needs, development of proposed activities and a review of program performance. There must be reasonable notice of the hearings and they must be held at times and locations convenient to potential or actual beneficiaries, with accommodations for the handicap. Public hearings are to be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can be expected to participate.

- f. Provide citizens with reasonable advance notice of, and opportunity to comment on proposed activities in the application to the state and for grants already made, activities which are added to, deleted or substantially changed from the application to the state.
- g. Provide citizens the address, phone number and times for submitting complaints and grievances and provide timely written responses to written complaints and grievances within 15 working days where practicable.

**SPECIAL REQUIREMENTS AND ASSURANCES.**

- 9. The Applicant will comply with the Administrative Requirements of the program, those applicable items in the 1995 Consolidated Plan, Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, and 24 CFR Part 570 (including parts not specifically cited below), and the following laws, regulations and requirements, both federal and state, as they pertain to the design, implementation and administration of the local project, if approved:

**CIVIL RIGHTS AND EQUAL OPPORTUNITY PROVISIONS**

- ! Public Law 88-352, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et. seq.) (24 CFR Part 1)
- ! Section 109 of the Housing and Community Development Act of 1974, As Amended
- ! Age-Discrimination Act of 1975, As Amended (42 U.S.C. 6101, et. seq.)
- ! Section 504 of the Rehabilitation Act of 1973, As Amended (29 U.S.C. 794) and the Americans with Disability Act
- ! Executive Order 11246, As Amended
- ! Executive Order 11063, As Amended by Executive Order 12259 (24 CFR Part 107)

**ENVIRONMENTAL STANDARDS AND PROVISIONS**

- ! Section 104(f) of the Housing and Community Development Act of 1974, As Amended
- ! Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831) and the Implementing Regulations found at 24 CFR Part 35
- ! The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et. seq., and 24 CFR Part 58)
- ! The Clean Air Act, As Amended (42 U.S.C. 7401, et. seq.)
- ! Farmland Protection Policy Act of 1981, (U.S.C. 4201, et. seq.)
- ! The Endangered Species Act of 1973, As Amended (16 U.S.C. 1531, et. seq.)
- ! The Reservoir Salvage Act of 1960 (16 U.S.C. 469, et. seq.), Section 3 (16 U.S.C. 469 a-1), As Amended by the Archaeological and Historic Preservation Act of 1974
- ! The Safe Drinking Water Act of 1974 [42 U.S.C. Section 201, 300(f), et. seq., and U.S.C. Section 349 as Amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e)]
- ! The Federal Water Pollution Control Act of 1972, As Amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et. seq.)
- ! The Solid Waste Disposal Act, As Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et. seq.)
- ! The Fish and Wildlife Coordination Act of 1958, As Amended, (16 U.S.C. Section 661, et. seq.)
- ! EPA List of Violating Facilities
- ! HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979)
- ! The Wild and Scenic Rivers Act of 1968, As Amended (16 U.S.C. 1271, et. seq.)
- ! Flood Insurance
- ! Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et. seq.)
- ! Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et. seq.)
- ! Environmental Protection Act, NEB. REV. STAT. 81-1501 to 81-1532 (R.R.S. 1943)
- ! Historic Preservation

**LABOR STANDARDS AND PROVISIONS**

- ! Section 110 of the Housing and Community Development Act of 1974, As Amended
- ! Fair Labor Standards Act of 1938, As Amended, (29 U.S.C. 102, et. seq.)
- ! Davis-Bacon Act, As Amended (40 U.S.C. 276-a - 276a-5); and Section 2; of the June 13, 1934 Act., As Amended (48 Stat. 948.40 U.S.C. 276(c), Popularly Known as The Copeland Act
- ! Contract Work Hours and Safety Standards Act (40 U.S.C. 327, et. seq.)
- ! Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701(u)]

**FAIR HOUSING STANDARDS AND PROVISIONS**

- ! Section 104(a)(2) of the Housing and Community Development Act of 1974, As Amended
- ! Public Law 90-284, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601, et. seq.). As Amended by the Fair Housing Amendments Act of 1988
- ! Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, As Amended (42 U.S.C. 4630) and the Implementing Regulations Found at 49 CFR Part 24
- ! Relocation Assistance Act, NEB. REV. STAT. 76-1214 to 76-1242 (R.S. Supp. 1989)
- ! Nebraska Civil Rights Act of 1969 20-105 to 20-125, 48-1102 and 48-1116
- ! Uniform Procedures for Acquiring Private Property for Public Use, NEB. REV. STAT. 25-2501 to 25-2506 (R.R.S. 1943)

**ADMINISTRATIVE AND FINANCIAL PROVISIONS**

- ! U.S. Office of Management and Budget Circular A-87 "Cost Principles for State and Local Governments"
- ! 24 CFR 85 Subtitle A "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments"
- ! 24 CFR 570.503 - Grant Administration Requirements for Use of Escrow Accounts for Property Rehabilitation Loans and Grants
- ! 24 CFR 570.488 to 570.499a - States Program: State Administration of CDBG Nonentitlement Funds
- ! Community Development Law, NEB. REV. STAT. 18-2101 to 18-2144 (R.S. Supp. 1982)
- ! Public Meetings Law, NEB. REV. STAT. 18-1401 to 18-1407 (R.R.S. 1943)

**MISCELLANEOUS**

- ! Hatch Act of 1938, As Amended (5 U.S.C. 1501, et. seq.)

The Applicant hereby certifies that it will comply with the above stated assurances.

Signed \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Subscribed in my presence and sworn to before me.

\_\_\_\_\_  
Notary Public (Not required if on letterhead)

**(Sample)**  
**Citizen Participation Plan**  
(Name of Village), Nebraska

**A. Participation by Citizens**

All citizens, including low and moderate income citizens, shall be requested and encouraged to participate in the assessment of community issues, problems and needs, the identification of potential solutions, and priority to such issues, problems and needs, as follows:

1. All citizens shall be periodically requested to complete a community needs survey to identify community and neighborhood issues, problems and needs.
2. All citizens shall be notified by publication and posting of all meetings to discuss the identified needs, potential solutions and solution priorities.
3. All citizens, particularly low and moderate-income citizens, shall be afforded the opportunity to serve on the various community improvement task forces established by the Village Board.

**B. Access to Meetings, Information and Records**

Notice of public meetings conducted by the Village Board and Planning Commission shall be published and posted not later than \_\_\_\_ (\_\_) days prior to such meetings.

Agendas of all such meetings shall be available at the Village Clerk's Office for public inspection.

All meetings where CDBG projects or applications are to be discussed shall be published and posted at least \_\_\_\_ (\_\_) days prior to such meetings and all information and records concerning such CDBG projects or applications shall be available for public inspection at the Office of the Village Clerk.

All meetings will be held at Village Hall which is accessible to the handicapped.

**C. Specific CDBG Project Information**

All citizens shall be provided with information regarding specific CDBG projects through public meetings and publication of notices which provide all pertinent information regarding any CDBG project including, but not limited to, the following:

1. The amount of CDBG funds expected to be made available to the Village for the current fiscal year, including CDBG funds and anticipated program income;
2. The specific range of activities that may be undertaken with CDBG funds;
3. The estimated amount of CDBG funds to be used for activities that will meet the national objective of benefit to low and moderate income persons, and;
4. A description of any proposed CDBG funded activities which are likely to result in displacement of persons along with the Village's anti-displacement and relocation plans.

**D. Provisions for Technical Assistance to Citizens**

The Village Clerk shall maintain current information of available resources for community improvement efforts and CDBG programs available and provide such information upon request by any citizen or group representing any citizen or group of citizens and the Village Clerk shall provide assistance in developing proposals to address issues, problems and needs identified by such citizen or citizens.

**E. Public Hearing on CDBG Activities**

The Village shall cause a minimum of two (2) public hearings to be conducted with regard to any CDBG application. One such hearing shall be conducted at the initiation of any such application and a second public hearing shall be held near the completion of any CDBG funded activity to obtain citizen input, comments or opinions with regard to such application(s) and with regard to program or project performance.

The Village Clerk shall act as the contact person for all questions, comments or concerns expressed by any citizen with regard to any CDBG program or project and shall forward any such questions, comments or concerns to the Village Board at the next regular meeting of the Village Board immediately following expression of such questions, comments or concerns. The Village Clerk shall also be responsible for transmitting the Village Board's response to any such question, comment or concerns to the citizen or citizens expressing the same.

**F. Needs of Non-English Speaking Citizens**

Although it is not anticipated that non-English speaking persons will participate in the citizen participation process, the Village Clerk shall make arrangements for oral or written translation of information regarding any CDBG program, application or project upon request by such non-English speaking persons or representatives of such persons.

**G. Compliance/Grievance Procedures**

The Village Clerk shall post a notice at the Village Office which provides name, telephone number, address and office hours of the Village Clerk for citizens who wish to file a complaint or grievance regarding any CDBG program, project or application.

Individuals wishing to submit a complaint or file a grievance concerning activities of or application for CDBG funds may submit a written complaint or grievance to the Village Clerk.

The Village Clerk shall present such complaint or grievance to the Village Board at the next regular meeting of the Village Board, where it shall be reviewed by the Board members. The individual submitting such complaint or grievance shall be notified of such meeting and shall be given the opportunity to make further comments at such meeting. The Village Board shall issue a written response to any complaint or grievance within five (5) working days following the meeting at which a response is formulated. Such response shall be mailed to the individual citizen(s) submitting the complaint or grievance by the Village Clerk to the last known address of said citizen(s).

In the event the nature of the complaint or grievance is determined to be a matter requiring immediate action, a special meeting of the Village Board shall be called to review the matter within ten (10) working days of receipt of such complaint or grievance.

**H. Adoption**

This Citizen Participation Plan is hereby adopted by action of the Village Board of Trustees of the Village of (Name of Village), Nebraska.

\_\_\_\_\_  
(Name of Chairperson), Chairperson

\_\_\_\_\_  
Attest: (Name of Village Clerk), Village Clerk

# RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN

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The \_\_\_\_\_ will replace all occupied  
(Name of Local Government)  
and vacant occupiable low/moderate-income dwelling units demolished or converted to a use other than as  
low/moderate-income housing as a direct result of activities assisted with Community Development Block Grant (CDBG)  
funds provided under the Housing and Community Development Act of 1974, as amended.

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating  
to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the  
\_\_\_\_\_ will make public and submit to DED the  
(Name of Local Government)  
following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be  
demolished or converted to a use other than as low/moderate-income dwelling units as a direct result of the assisted  
activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be  
provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a low/moderate-income dwelling unit for at least  
10 years from the date of initial occupancy.

The \_\_\_\_\_ will provide relocation  
(Name of Local Government)  
assistance, according to either the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49  
CFR Part 24) or 24 CFR 570.496a(c) to each low/moderate-income family displaced by the demolition of housing or by the  
conversion of a low/moderate-income dwelling to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the CDBG program, the  
\_\_\_\_\_ will take the following steps to minimize the displacement of  
(Name of Local Government)  
persons from their homes:

1. Maintain current data on the occupancy of houses in areas targeted for CDBG assistance.
2. Review all activities prior to implementation to determine the effect, if any, on occupied residential properties.
3. Include consideration of alternate solutions when it appears an assisted project will cause displacement, if implemented.
4. Require private individuals and businesses to consider other alternatives to displacement causing activities, if they are  
requesting CDBG assistance.

Signed \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Subscribed in my presence and sworn to before me.

\_\_\_\_\_  
Notary Public (Not required if on letterhead)

**Nebraska Community Development Block Grant Program  
LOW-AND-MODERATE-INCOME WORKSHEET REPORTING  
CENSUS SURVEY INFORMATION**

**For LMI Area Benefit Activities not using HUD Census data**

**PART I. INFORMATION CONTAINED IN YOUR SURVEY**

1. Total number of families (including single person families) in the activity service area 1. \_\_\_\_\_
2. Total number of families in the service area that were contacted (include not reachable, refused to answer, incomplete interview/questionnaire) 2. \_\_\_\_\_
3. Total number of completed interviews 3. \_\_\_\_\_
4. Total number of persons in the families interviewed 4. \_\_\_\_\_
5. Total number of persons in the families interviewed who are LMI persons 5. \_\_\_\_\_
6. Total number of persons in the service area 6. \_\_\_\_\_
7. Divide line 5 by line 6 and multiply by 100 to determine the LMI percentage 7. \_\_\_\_\_

<b>Tabulated Income Survey Results</b>									
Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person	Total
# Above									families
Income Limit									people
									people
# Below									families

**PART II. SURVEY ANALYSIS AND DOCUMENTATION** (attach separate sheets of paper if necessary)

Date(s) survey conducted: From \_\_\_\_\_ to \_\_\_\_\_ Effective date of income limits used: \_\_\_\_\_

Was the area surveyed:  Target Area  Entire Community  Community and Surrounding Area

Does the area surveyed include the entire service area of the CDBG activity proposed?  Yes;  No

Source(s) of information used to develop complete list of families in the service area (**attach a complete listing of all families/ households, indicate which completed an interview or survey**). \_\_\_\_\_

List all organizations and individuals conducting and analyzing the survey \_\_\_\_\_

**Provide a reason for current survey.** Have there been significant demographic or economic changes to the area since the last survey or decennial census?

Are the completed survey/questionnaires in applicant files and available for DED/HUD monitoring?  Yes  No

**Attach a copy of the survey form and copies of related flyers, news articles, cover letters, etc.**

**Nebraska Community Development Block Grant Program**  
**LOW-AND-MODERATE-INCOME WORKSHEET REPORTING**  
**RANDOM SAMPLE SURVEY INFORMATION**

**For LMI Area Benefit Activities not using HUD Census data**

**PART I. INFORMATION CONTAINED IN YOUR SURVEY**

1. Total number of families (including single person families) in the activity service area 1. \_\_\_\_\_
2. Sample size (as determined by <http://surveysystem.com/sscalc.htm>) 2. \_\_\_\_\_
3. Total number of families in the service area that were contacted (include not reachable, refused to answer, incomplete interview/questionnaire) 3. \_\_\_\_\_
4. Total number of completed interviews 4. \_\_\_\_\_
5. Total number of persons in the families interviewed 5. \_\_\_\_\_
6. Total number of persons in the families interviewed who are LMI persons 6. \_\_\_\_\_
7. Divide Line 6 by Line 5 and multiply by 100 to determine the LMI percentage 7. \_\_\_\_\_
8. Total number of persons in the service area 8. \_\_\_\_\_
9. Total number of LMI persons benefiting (7 x 8) 9. \_\_\_\_\_

<b>Tabulated Income Survey Results</b>									
Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person	Total
# Above									families
Income Limit									people
									people
# Below									families

**PART II. SURVEY ANALYSIS AND DOCUMENTATION** (attach separate sheets of paper if necessary)

Date(s) survey conducted: From \_\_\_\_\_ to \_\_\_\_\_ Effective date of income limits used: \_\_\_\_\_

Confidence Level: \_\_\_\_\_ Confidence Interval: \_\_\_\_\_ (attach copy of completed sample size calculator screen print)

Was the area surveyed: \_\_\_ Target Area; \_\_\_ Entire Community; \_\_\_ Community and Surrounding Area

Does the area surveyed include the entire service area of the CDBG activity proposed? \_\_\_ Yes \_\_\_ No

Source(s) of information used to develop complete list of families in survey area (**attach a complete listing of all families/ households, indicate which were selected for the sample and which completed an interview**).

Explain how a systematic representative sample was selected (**attach a copy of random sample generated from website or random number table**).

In addition to sampling an adequate portion of the population, the surveyor must ensure that the responses correspond to a geographic cross section of the service area benefiting. Essentially, the northern, eastern, southern, western and central areas of the service area should be represented with completed surveys.

Detail how the sample accurately reflects the total population and geographic cross-section of the survey area and, if there was a bias or gap in responses, how was it dealt with. **Attach a map of the service area that indicates which households responded to the survey. Explain any gaps by street or block in areas not covered.**

List all organizations and individuals conducting and analyzing the survey

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Summarize the survey process detailing the method of delivery (mail, door to door, telephone or other) and collection including time(s) of day/week, number of and follow-up efforts, and provisions for replacement of un-reachable and non-respondents.

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**Provide a reason for current survey.** Have there been significant demographic or economic changes to the area since the last survey or decennial census?

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Are the completed survey/questionnaires in applicant files and available for DED/HUD monitoring?

Yes  No

**Attach a copy of the survey form and copies of related flyers, news articles, cover letters, etc.**

**CDBG Slums and Blight National Objective Checklists**

As an applicant or grantee under the Community Development Block Grant (CDBG) Program, please submit a report on the following statements to the Department to address the slums/blight national objective.

CDBG National Objective Checklist Statement

Aid in the prevention or elimination of slums or blight on an area basis:

“Slums” has the same meaning as substandard areas as defined in Section 18-2103(10) Neb. R.R.S. “Blight” has the same meaning as blighted areas as defined in Section 18-2103(11) Neb. R.R.S.

Area is designated by official action of the local government as substandard or blighted in accordance with the applicable state statute.

(1) Has area been officially designated as Slum or Blighted by local government? Yes or No

*If Yes.* Submit copy official action taken by local government, such as adoption resolution.

Submit description of the area designated in accordance with NE Community Development law.

*If No.* Describe further how area not designated meets the definitions as listed in the NE Community Development law.

Documentation is provided and maintained by the recipient on the boundaries of the area and the conditions, which qualified the area at the time of its designation.

(2) Submit a local government map, such as a municipal plat or block map with street names, which outline the boundaries of the designated blight/substandard area. Provide a boundary description of the designated area. State the designation year for the area.

List the conditions used to qualify the area at date of designation in accordance with the Community Development Law.

There are at least 25% of the properties throughout the area, which experience one or more of the following:

- (a) Physical deterioration of buildings or improvements; abandonment of properties; chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings; significant declines in property values or abnormally low property values relative to other areas in the community; or known or suspected environmental contamination. OR
- (b) Public improvements throughout the area are in a general state of deterioration.

(3) Submit a list of number of properties and percentage of properties located in the designated blighted/substandard area, which meet one or more of the following conditions and identify the conditions met for each property. State the definitions used to determine what is deteriorated or deteriorating.

Physical deterioration of buildings or improvements; abandoned properties; commercial or industrial buildings with either chronic high occupancy turnover rates or high vacancy rates; property with significant declines in property values or abnormally low property values in comparison to other areas of the community; properties with known or suspected environmental contamination located in the blighted/substandard designated area.

(4) Submit a listing of all public improvements located in the designated blighted/substandard area. Provide the state of deterioration for each listed public improvement and the standard/determination for identifying the public improvement as deteriorating.

*The assisted activity is designed to address one or more of the conditions, which contributed to the deterioration of the area.*

(5) Describe how the activity for CDBG assistance meets the prevention/elimination of the identified deteriorating conditions of the blighted/substandard area

Activities to be assisted with CDBG funds must be limited to those that address one or more of the conditions that contributed to the deterioration of the area.

(6) State how the CDBG assisted activity addresses condition(s) that contribute to the deterioration of the blight/substandard area. Describe how the CDBG assisted activity improves identified deteriorated conditions. (The CDBG assisted improvements undertaken must match the conditions that contribute to the stated deterioration or decline of the substandard/blighted area.)

## **EXHIBIT F**

*The designation of an area as slum or blighted under this section is required to be redetermined every 10 years for continued qualification.*

(7) Submit a copy of the original official action designating the area as blighted. If it has been greater than 10 years since the original official action designating the area, submit an official record documenting the redesignation of the area and the date. Document improvements undertaken in the designated area prior to the most recent redesignation.

Submit the report to the attention of your program representative or the CDBG Program Manager.  
Nebraska Department of Economic Development  
Community & Rural Development Division  
PO Box 94666  
Lincoln, NE 68509

*Slums/Blight Checklist updated August 2008*

# EXHIBIT F

## CDBG Slums and Blight National Objective Checklists

As an applicant or grantee under the Community Development Block Grant (CDBG) Program, please submit a report on the following statements to the Department to address the slums/blight national objective.

### CDBG National Objective Checklist Statement

Aid in the prevention or elimination of slums or blight on a spot basis:

“Slums” has the same meaning as substandard areas as defined in Section 18-2103(10) Neb. R.R.S. “Blight” has the same meaning as blighted areas as defined in Section 18-2103(11) Neb. R.R.S. (Public improvements cannot qualify under this standard except for rehabilitation of public buildings and historic preservation of public property that is blighted).

An activity must be designed to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area.

(1) Submit a local government map, such as a municipal plat or block map with street names, which delineates the location of the building or other improvement activity.

The project is limited to one of the following activities: acquisition, clearance, relocation, historic preservation, or rehabilitation of buildings.

(2) List the activity the project is undertaking, describe the substandard conditions, and provide a description of the improvements.

The project activity can only eliminate specific conditions detrimental to public health and safety.

(3) Submit a description for each activity improvement, including all budgeted items, and identify and document how it eliminates public health and safety conditions.

Submit the report to the attention of your program representative or the CDBG Program Manager.  
Nebraska Department of Economic Development  
Community & Rural Development Division  
PO Box 94666  
Lincoln, NE 68509

*SLUMS/BLIGHT CHECKLIST UPDATED AUGUST 2008*

# COMMUNITY REVITALIZATION APPLICATION CATEGORY GUIDELINES

## Section 1.01 Eligible Applicants

Except as provided in *Section 1.03*, eligible applicants include eight Nebraska incorporated municipalities between 20,000 and 49,999 in population.

## Section 1.02 Types of Applicants

Except as provided in *Section 1.03*, an eligible applicant may apply only for projects within its corporate limits.

## Section 1.03 Special Policies For Applicants

Special policies affecting *Section 1.01* and *Section 1.02* are:

1. A municipality may not submit an application for projects undertaken outside its corporate limits unless the projects either: (a) occur within its zoning jurisdiction; or (b) involve property acquired by the municipality prior to project implementation through purchase, donation or a permanent easement.
2. If an application requires participation of entities that are not eligible applicants, each such entity must provide written assurance that it concurs with the project and is committing its resources, if any, as stated in the application. A grantee/sub grantee agreement, that specifies decision-making authority, administration, contract compliance, reporting, etc. should be executed and submitted with the application. In all instances the grantee has the final responsibility for implementation of the project and must retain environmental and financial responsibility.
3. Eligible applicants may provide CDBG funds to a subgrantee neighborhood-based nonprofit organization (proof of nonprofit status, such as Secretary of State designation, must be included with the application). A neighborhood-based nonprofit organization is an association or corporation, duly organized to promote and undertake community development activities on a not-for-profit basis within a neighborhood. An organization is considered to be neighborhood-based if the majority of either its membership, clientele, or governing body are residents of the neighborhood where activities assisted with CDBG funds are to be carried out. A neighborhood is defined as: geographic location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation; or the entire jurisdiction of a unit of general local government that is under 25,000 population.

## Section 2.01 Compliance with the National CDBG Objective

The primary national CDBG objective is the development of viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income persons. Under these Comprehensive Revitalization guidelines, this is accomplished by funding projects that provide benefit to low and moderate income persons as follows:

1. **Benefit to low-and moderate-income persons** (referred to throughout this document as LMI persons): LMI persons are defined as a member of a family having an income equal to

or less than the income limits established by HUD for their resident county. The income limits as published by HUD at [www.huduser.org/datasets/il.html](http://www.huduser.org/datasets/il.html) are determined for each Nebraska county on the higher of either: 80% of the median income of the county, or 80% of the median income of the entire non-metropolitan area of the state.

Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to meet this national objective.

- a. **Area benefit activities:** An area benefit activity is available to all residents of an area that is **primarily residential**. In order to qualify on an area basis, the activity must meet the identified needs of LMI persons residing in an area where at least 51% of the residents are LMI persons. The benefits of this type of activity are available to all residents in the area regardless of income. If the assisted activity *serves* an area having a LMI concentration below 51%, the activity may not qualify even if there is reason to believe that it will actually be *used* primarily by LMI persons.

Such an area need not be coterminous with census tract or other officially recognized boundaries, but must be the ENTIRE area served by the activity (i.e. an arterial street or sewer interceptor line running through a neighborhood would serve more residents than those in the immediate neighborhood).

Grantees that believe the HUD provided data from 2000 Census does not reflect current relative income levels in an area, or where census boundaries do not coincide sufficiently well with the benefit area of an activity, may conduct (or have conducted) a current survey of the residents of the area to determine the percentage of such persons that are LMI. DED will accept information obtained through such surveys where it determines that the survey was conducted in a manner that the results meet standards of statistical reliability as set forth in **Guidance for Survey Methodology to Determine Low/Mod Status of CDBG Service Areas** included in Appendix 1. For income verification surveys applicants must complete and submit Exhibit E, LMI worksheet, and include a description of the methodology and income guidelines used. Income verification surveys must have been conducted since January 1, 2005.

- b. **Limited clientele activities.** These are activities that provide benefits to a specific group of persons rather than everyone in a general area. It may benefit particular persons without regard to the area in which they reside, or be an activity that provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51% of the beneficiaries of the activity must be LMI persons. To qualify under this subcategory, the activity must meet one of the following tests:

- (1) Exclusively benefit a clientele who are generally presumed by HUD to be principally LMI persons. The following groups are currently presumed by HUD to be made up principally of LMI persons: abused children, battered spouses, elderly persons,

adults meeting Bureau of Census' definition of severely disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or,

- (2) Require information on family size and income so that it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limit (This includes the case where the activity is restricted exclusively to LMI persons); or
- (3) Be of such nature and in such location that it may reasonably be concluded that the activity's clientele will primarily be LMI persons (e.g. a daycare center that is designed to serve residents of a public housing complex); or
- (4) Be an activity that removes material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting Bureau of Census' Current Population Reports definition of "severely disabled," **provided** it is restricted, to the extent practicable, to the removal of such barriers by assisting the reconstruction of a public facility or improvement or rehabilitation of a privately-owned nonresidential building that does not qualify under LMI area benefit criteria.

Activities that serve an area generally cannot qualify under the Limited Clientele criterion. For example, while a clinic serving only persons with AIDS living in a particular area would clearly qualify as a Limited Clientele activity, a clinic providing CDBG-subsidized health services which are available to *all* persons in the area would not. It must instead meet the criteria for an Area Benefit activity.

**c. Housing activities.** Activities which assist in the acquisition, construction, or improvement of permanent, residential structures may qualify as benefiting L/M income persons only to the extent that the housing is occupied by L/M income persons. (This includes activities directed towards homeownership assistance.) Thus, this subcategory provides that for such activities to qualify under the L/M income benefit national objective, it must result in housing that will be **occupied by** L/M income households upon completion. The housing can be either one family or multi-unit structures. When the housing is to be rented, in order for a dwelling unit to be considered to benefit a L/M income household, it must be occupied by the household at affordable rents. The grant recipient is responsible for establishing the criteria it will use to determine rent affordability for this purpose and must make these criteria public.

Note that L/M income benefit status for this purpose is based on *households* and not *persons*. This distinction is very important because there can be situations where the persons residing in an assisted housing unit are not all members of the same family. For example, consider the case where two working persons are sharing a housing unit but are not related by blood, marriage, or adoption, and their individual incomes qualify them both as L/M income persons. It is possible; however, that their combined income might exceed the applicable Section 8 income limit for a two-person family and thus their household income would not qualify them to be a L.M income household.

Occupancy of the assisted housing by L/M income households under this subcategory is determined using the following general rules: a) *all* assisted *single unit* structures must be occupied by L/M income households, b) an assisted *two-unit* structure (duplex) must have *at least one* unit occupied by a L/M income household, and c) an assisted structure containing *more than two units* must have *at least 51%* of the units occupied by L/M income households.

## 2. Aid in the prevention or elimination of slums or blight:

"Slums" has the same meaning as substandard areas as defined in Section 18-2103(10) Neb. R.R.S. "Blight" has the same meaning as blighted areas as defined in Section 18-2103(11) Neb. R.R.S. A copy of the Community Development law is available upon request from DED.

Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to meet this national objective.

- a. **On an area basis:** An activity will be considered to meet this objective if (1) the area is officially designated by the local government and must meet a definition of substandard or blighted in accordance with the applicable state statute; and (2) there is a substantial number of deteriorated or deteriorating structures throughout the area, or existing public improvements throughout the area are in a general state of deterioration; (3) documentation is provided and maintained by the recipient on the boundaries of the area and the conditions that qualified the area at the time of its designation; and (4) activities to be assisted with CDBG funds must be limited to those that address one or more of the conditions that contributed to the deterioration of the area.
- b. **On a spot basis:** An activity must be designed to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area; and limited to one of the following: acquisition, clearance, relocation, historic preservation, or rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety. (Public improvements cannot qualify under this standard except for rehabilitation of public buildings and historic preservation of public property that is blighted).

## Section 2.02 Compliance with State Community Development Objective

The state CDBG objective of the Comprehensive Revitalization Category is to provide for flexible investments in housing and infrastructure to carry out a comprehensive strategy of revitalization to stabilize and enhance clearly defined residential neighborhoods with a concentration of persons with lower incomes.

## Section 3.01 Compliance with State Community Development Priorities

Several activities are eligible for assistance under Section 105(a) of the amended 1974 HCD Act. Although the state may not refuse to distribute CDBG funds for any eligible activity, the state can use criteria that have the effect of increasing the likelihood of certain activities being funded. Under the state program, CDBG funds will be distributed for the eligible

activities listed in *Section 3.04* that comply with the following two state priorities. In addition, all improvements must be either publicly owned or owned by a nonprofit and operated so as to be open to the general public during all normal hours of operation.

1. **PUBLIC WORKS (PW):** Single or multiple activities that contribute to the revitalization of neighborhoods or specific target areas as defined in *Section 3.02(4)* which have concentrations of LMI families or which are blighted and substandard. The target area boundaries must allow for maximum treatment of substandard conditions.

Activities given priority are: community centers or senior centers of a single or multipurpose nature designed to provide public recreational and social activities; nonprofit centers for day care, primary health and mental health care outpatient clinics (excluding shelters defined as: hospitals, nursing homes, convalescent homes, battered spouse shelters, halfway houses, group homes, temporary housing); remodel shelter facilities for the homeless (excludes costs for operation); accredited public libraries; single or multi-service fire/rescue buildings (fire trucks are specifically considered “public facilities” and thus eligible); removal of architectural barriers from City/Village Halls or County Courthouses for accessibility; parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); water distribution (only if system service connections are or will be metered) and/or sanitary sewer collection system improvements (lines on private property are eligible under LMH national objective); bridge and/or street improvements including curb, gutter, and sidewalk; storm sewer improvements; flood control (designed to influence or affect the flow in a natural water course such as a river, stream or lake); drainage improvements (i.e. retention ponds or catch basins); and tornado-safe shelters in manufactured home parks (containing not less than 20 manufactured housing units that are within such proximity of shelter to be of use in a tornado). When in support of any of the above activities, acquisition/easements, clearance, and code enforcement activities, that predominantly benefit LMI persons, or prevent/eliminate slums/blight.

2. **Housing (HO):** Single or multiple activities that contribute to the revitalization of neighborhoods or specific target areas as defined in *Section 3.02(4)* which have concentrations of LMI families.

Activities given priority are: rehabilitation programs of residential rental and owner-occupied homes, direct homebuyer assistance programs, and payment of reasonable administrative costs related to the execution of housing activities.

## Section 3.02 Special Policies for Activities

Special policies affecting activities listed in *Section 3.01* are:

1. **Facilities containing both eligible and ineligible uses:** A public facility otherwise eligible for assistance under the CDBG program may be provided with CDBG funds even if it is part of a multiple use building containing ineligible uses, if: (a) the facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and (b) the grantee can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility. Allowable costs

are limited to those attributable to the eligible portion of the building or facility.

2. **Fees for use of facilities:** Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges, such as excessive membership fees, which will have the effect of precluding LMI persons from using the facilities, are not permitted.
3. **Special Assessments:** The term special assessment means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. This term does not relate to taxes on property or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be used to recover capital costs as follows: a) special assessments to recover the CDBG funds may be made only against properties not owned and occupied by LMI persons (such assessments are program income), b) special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used to pay the special assessment in behalf of all properties owned and occupied by LMI persons; except that CDBG funds need not be used to pay the special assessments in behalf of properties owned and occupied by moderate income persons if the grantee certifies that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the LMI owner-occupant persons (funds collected through such special assessments are not program income).

4. **Target area definition:** A target area must be contiguous, substantial and primarily residential in character. A contiguous target area is generally delineated along block lines and by natural/man-made boundaries, such as streets, highways, railroads and streams. Alleys and lot lines do not delineate target area boundaries exclusively. Generally, substantial means a concentration of 100 or more families. If the target area is too small, investments may not generate other intended benefits. However, if the target area is too large, investments will be dispersed minimizing visible impact.

## Section 3.03 Ineligible Activities

This section identifies ineligible activities.

1. Buildings, or portions thereof, used predominantly for the general conduct of government cannot be assisted with CDBG funds. Such buildings are defined as city and village halls, county administrative buildings, state capitols, or office buildings or other facilities in which the legislative or general administrative affairs of the government are conducted. This definition does not include such facilities as neighborhood service centers or special purpose buildings located in LMI areas that house various non-legislative functions or services provided by government at decentralized locations. This does not exclude, however, the

removal of architectural barriers in order to make public buildings accessible to elderly and handicapped persons.

2. General government expenses cannot be paid with CDBG funds, except for those costs that are directly attributable to administration of a local CDBG program and are documented as such. (Eligible cost expenses are detailed in OMB Circular A-87).
3. CDBG funds cannot be used to pay for facilities or equipment used for political purposes or to engage in other political activities such as candidate forums, voter transportation, or voter registration. However, a facility originally financed in whole or in part with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.
4. The purchase of equipment with CDBG funds is generally ineligible, except (a) the purchase of construction equipment is ineligible, but compensation for the use of such equipment through leasing, depreciation, or use allowances pursuant to OMB Circulars A-87, or A-122 as applicable for an otherwise eligible activity is an eligible use of CDBG funds. However, the purchase of construction equipment for use as part of a solid waste disposal facility is eligible; (b) fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible; and (c) the purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with OMB Circulars A-87 or A-122, as applicable) for such items when necessary for use by a municipality or county in the administration of activities assisted with CDBG funds, or when eligible as fire fighting equipment, or when such items constitute all or part of a public service.
5. The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible. Specific exceptions to this general rule are operating and maintenance expenses associated with public service activities, interim assistance, and office space for program staff employed in carrying out the CDBG program. For example, the use of CDBG funds to pay the allocable costs of operating and maintaining a facility used in providing a public service would be eligible, even if no other costs of providing such a service are assisted with such funds.

Examples of ineligible operating and maintenance expenses are: (a) maintenance and repair of streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for the handicapped, parking and similar public facilities. Examples of maintenance and repair activities for which CDBG funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of recreational areas, and the replacement of expended street light bulbs; and (b) payment of salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities.

6. CDBG funds may be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction when required to provide last resort housing under the Uniform Relocation Act. Activities in support of the development of LMI housing including clearance, site assemblage, provision of site improvements and public improvements and certain housing preconstruction costs are considered activities to subsidize or assist new residential construction.
7. The general rule is that CDBG funds cannot be used for income payments for housing or any other purpose. Examples of ineligible income payments include: payments for income maintenance, housing allowances, down payments, and mortgage subsidies. One time payments made on behalf of persons or families to meet emergency needs such as housing or essential utilities is not an income payment and is eligible.

### **Section 3.04 Eligible Activities**

Activities eligible for assistance under the state's CDBG program are only those authorized in Section 105(a) of the amended 1974 HCD Act. The general rule is that any activity listed in Section 105(a) may be funded in whole or in part with CDBG funds. Below is a partial list of activities from Section 105(a). Communities should be aware that although an activity may be legally eligible under Federal statute and HUD regulations, it may not be competitive under the guidelines and ranking system in the Nebraska CDBG Program. The State has adopted priorities, listed in *Section 3.01*, which increase the likelihood of funding of certain activities. Restrictions are identified in *Sections 3.02* and *3.03* above.

1. The acquisition of real property (including air rights, water rights, and other interests therein) which is (a) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (b) appropriate for rehabilitation or conservation activities; (c) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (d) to be used for the provision of public works, facilities, and improvements eligible for assistance under this program; or (e) to be used for other public purposes.
2. The acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements.
3. Code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, may be expected to arrest the decline of the area.
4. Clearance, demolition, removal, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for rehabilitation, and rehabilitation, or privately owned properties and including the renovation of closed school buildings).

5. Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons.
6. Payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for relocation of individuals and families displaced by CDBG activities.
7. Disposition (through sale, lease, donation, or otherwise) of any real property acquired with CDBG funds or its retention for public purposes.
8. Payment of the nonfederal share required in connection with a federal grant-in-aid program undertaken as part of activities assisted under this program.
9. Relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate activities.
10. Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in Section 701(e) of the Housing Act of 1954 on the date prior to the enactment of the Housing and Community Development Amendments of 1981.
11. Activities which are carried out by public or private nonprofit entities, including (a) acquisition of real property; (b) acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government), site improvements, and utilities.

#### Section 4.01 Maximum Grant Amount

DED will conditionally guarantee grant awards in 2009, 2010 and 2011 under the Comprehensive Revitalization Category for seven of eight participating non-entitlement local governments, between 49,999 and 20,000 populations, based on the greater amount for either: a minimum funding level of \$175,000 or the formula allocation based on the number of low- and moderate-income persons residing in the community. Funding allocations are determined by dividing the amount of the CDBG Program funds available for distribution in the 2010 Planning, Downtown Revitalization, and Community Development Priority (excludes Economic Development, Planning and Tourism Development categories) by the total number of low and moderate-income (LMI) persons residing in the non-entitlement areas of the state multiplied by the number of LMI persons residing in the eligible community. The source of the LMI persons is the U.S. Department of Housing and Urban Development calculations from 2000 Census data.

The seven participating out of eight eligible communities and approximate funding allocations for 2010 awards (based on \$5,480,932 available for 2010 Planning, Downtown Revitalization, and Community Development Priority distribution, divided by a non-entitlement LMI population of 411,329 equals \$13,3249/capita, multiplied by the respective number of LMI persons).

City	LMI pop.	Amount	Amount
Bellevue	16,442	\$ 219,088	\$219,088
Columbus	8,107	\$ 108,025	\$175,000
Fremont	9,502	\$ 126,613	\$175,000
Grand Island	17,348	\$ 231,174	\$231,174
Kearney	10,203	\$ 135,954	\$175,000
Norfolk	9,648	\$ 128,559	\$175,000
North Platte	10,087	\$ 134,408	\$175,000
	81,337		\$1,325,262

All activities, except general administration, require 1:1 leverage. Proposed leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefiting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period. Consideration for leverage will be given for such sources as public/private cash, loans and program income from prior awards.

Up to 7% of the community allocation may be used for General Administration. Up to 7% of a housing rehabilitation activity may be used for housing management. These amounts are in addition to the CDBG CR funds allocation for each city. General Administration and Housing Management activities require no matching funds.

Up to 25% of each community's allocation can be used for activities eligible for assistance under the Downtown Revitalization funding category; provided that such activities were identified as needs in the comprehensive needs assessment, and provide a benefit to low/moderate income residents of the community.

#### Section 4.02 Leveraged Funds Requirements

All activities, except general administration, require 1:1 leverage. Leveraged funds are non-CDBG cash and in-kind contributions for CDBG eligible activities directly related to the proposed project(s) in the same neighborhood during the grant award period. Consideration for leverage will be given for such sources as public/private cash, loans and program income from prior awards.

General administrative and audit activities require no leveraged funds and the amounts budgeted for them cannot be used as leverage for other activities.

#### Section 4.03 Program Income

Program income includes but is not limited to: a) payments of principal and interest on loans made using CDBG funds; b) proceeds from the lease or disposition of real or personal property acquired with CDBG funds; c) interest earned on CDBG funds held in a revolving loan fund account; and d) interest earned on any program income pending disposition of such income.

All program income earned during the grant period must be expended on the project activities prior to drawing down additional CDBG funds under the grant. Program income earned after the completion of the grant activities is subject to the following requirement.

In keeping with federal regulations and the state's program income objective, a local grantee must provide DED with written notification of its intent to propose a use of program income to continue the same activity from which the program income is generated. The same activity, for program income earned under any housing related activities, is defined as any

eligible housing activity under Title I of the Community Development Act of 1974 (as amended) that will meet a national CDBG objective. This notice must be made within 90 calendar days from the date of the grantee's Notice of Award letter. If the grantee's notice is not submitted to DED within the 90-day period, DED may require the grantee to return all program income to the state.

If the grantee submits its notice within the specified period and elects to use program income to continue the same activity, the grantee will be instructed as to further requirements contained in the state's current CDBG Annual Action Plan which must be met by the grantee in order to retain and use the program income.

### Section 5.01 Submission of Applications

Applications must be submitted according to the provisions stated in *Section 1.01 through Section 1.03*.

Eligible communities interested in the three year (2009-2011) Comprehensive Revitalization category submitted a Comprehensive Revitalization application to DED by April 15, 2009 to complete a Comprehensive Needs Assessment and a Revitalization Strategy, which may be an update or revision to the strategy submitted for 2005-2008 period.

Seven of eight eligible communities were awarded funds in May 2009 to complete a Comprehensive Needs Assessment and a Revitalization Strategy. The communities completed Comprehensive Needs Assessment studies to identify all areas of low and moderate-income concentrations and inventoried all types and degree of housing and community development needs within each area (HUD Census data is available that identifies LMI areas in each community; however, proposed activities that do not coincide with these boundaries were supplemented by income survey of the activity service area). The Comprehensive Revitalization Strategy and needs assessment studies were submitted and the seven communities were selected to participate in three years of annual CDBG funding for meeting the needs of LMI persons in the designated areas of the community's strategy. Prior to funding each of the three years an updated Assessment/Strategy and Comprehensive Revitalization will be submitted indicating the progress and improvements conducted in the project areas.

Eligible local governments with open Comprehensive Revitalization awards cannot apply in any CDBG Housing, Water Wastewater or Public Works category. Grantees with open Comprehensive Revitalization awards may apply in Economic Development, Planning and Tourism Development categories.

For a suitable Assessment/Strategy, DED will recommend that a Comprehensive Revitalization application for 2009 Action Plan-Phase I funding be submitted to DED on or before January 29, 2010. It is anticipated that awards will be announced on or before February 26, 2010 and funds must be expended by August 29, 2010.

For communities meeting timely expenditure rates, it is anticipated that an updated Assessment/Strategy and Comprehensive Revitalization application will be submitted in April 2011 for 2010 Action Plan-Phase II funding and June 2012 for 2011 Action Plan-Phase III funding. The updated Assessment/Strategy must include program performance and any needs that remain unmet in the selected target areas. The identified needs of the initially selected target area(s) must be

substantially addressed before investments in any new target area(s) can be proposed.

During the Assessment/Strategy and Application process, DED may require revisions before the documents can be approved. If this is necessary, communities will be allowed a maximum 30 days to conduct appropriate revisions and re-submit the requested documents to DED. Communities that fail to meet these deadlines will forfeit their Comprehensive Revitalization funding allocation.

#### CR Milestone Summary

Complete Needs Assessment/Strategy May 20 – Nov. 20, 2009  
 2009 CR application for Phase I due January 29, 2010  
 Phase I implementation Feb 26, 2010 – Aug 29, 2010  
 2010 CR application for Phase II due April 15, 2011  
 Phase II implementation July 1, 2011 – Aug 31, 2012  
 2011 CR application for Phase III due June 16, 2012  
 Phase III implementation July 2, 2012 – Aug 30, 2013

Applications will be returned and not considered if they fail to meet any of the following threshold requirements prior to review: (1) applicant is eligible; (2) applicant for multi-jurisdictional application is a direct participant in the study/project (cannot serve as a pass through for CDBG funds or only as administrator); (3) activities are eligible and comply with national CDBG objectives and state CDBG priorities; (4) applicant has no significant, unresolved audit finding; (5) applicant has no legal actions under way that may significantly impact implementation of the project; (6) applicant is following a detailed citizen participation and antidisplacement plan; (7) applicant has adopted authorizing participation resolution; (8) applicant has addressed and cleared all compliance problems (i.e. Davis Bacon Act, acquisition, fair housing, etc.), if any, from past awards and have response accepted by DED; (9) applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audit, etc.); (10) applicant has achieved the percentages of CDBG funds drawn down for prior CDBG grants in any category (excluding Economic Development, Comprehensive Revitalization, and Tourism Development funds) as follows:

2008 Grantee	90 % Drawn down
2007 & Prior Grantee	100% Drawn down

The percentage for funds drawn down shall be figured by DED based on the final application acceptance date, except for applicant awarded funds after initial award date where funds drawn down shall be based on a proportionate number of months lapsed since initial grant award. DED shall contact an applicant if additional information is required.

The percentage for funds drawn down shall be figured by DED based on the final application acceptance date, except when an applicant is awarded funds after initial award date, obligated and drawn down funds shall be based on a proportionate number of months lapsed since initial grant award. DED shall contact an applicant if additional information is required.

### Section 5.02 Special Policies for Thresholds for Selection

Special policies affecting thresholds for selection in *Section 5.01* are:

1. The **citizen participation plan** must contain provisions for the involvement of citizens, particularly LMI residents, in all phases of the project. Each local government submitting a single application or participating in a joint application must

have and follow a citizen participation plan. The plan must provide for:

- a. proper notice and access to all meetings and project records;
- b. technical assistance on request to groups representative of LMI persons;
- c. a minimum of two public hearings, each at a different stage of the program, for the purpose of obtaining citizen's views, responding to proposals and questions (specifically during the application phase, the hearing(s) must cover community and housing needs, development of proposed activities to be undertaken, the amount of funds requested, the estimated amount proposed to benefit LMI persons, the amount and source of matching funds, if any, and the applicant's plans for minimizing displacement of persons as a result of CDBG assisted activities and for assisting persons actually displaced; and specifically during the implementation phase, the hearing(s) must review program performance). The minutes of the public hearing and the public hearing notice are to include each listed statement. Public hearings for joint applicants must be held in each participant's jurisdiction and the application must be available for public inspection at each locality.
- d. a process for responding to complaints and grievances within 15 working days; and
- e. the needs of non-English speaking residents where a significant number of them can be expected to participate in public hearings.

2. The **residential antidisplacement and relocation assistance plan** must be adopted and certified by the local government and be available to the public. A certification and plan is required even if the applicant is not proposing activities which will result in demolition or in the conversion of a LMI unit to a use other than LMI housing. The plan must contain two components (a) one-for-one replacement unit requirement, and (b) a relocation assistance component.

- a. One-for-one replacement unit requirement applies to all occupied and vacant occupiable LMI dwelling units that will be demolished or converted to another use as a direct result of a CDBG assisted activity. Occupiable dwelling unit is a residential unit that is in standard condition or in a substandard condition, but suitable for rehabilitation.

- (1) A LMI dwelling unit is defined as a unit with a market rental, including utility costs, that does not exceed the Section 8 fair market rent (FMR) as established by HUD. Whenever assisted rehabilitation raises the rent above the FMR that unit must be replaced.
- (2) A "vacant occupiable dwelling unit" is a unit in standard condition or a unit in substandard, but is suitable for rehabilitation; or a dwelling unit that has been occupied (except for a squatter) at any time one year prior to the Notice of Approval date for an approved application.

- (3) A unit in "standard condition" is ready to be lived-in with only a minimal amount of deferred maintenance or repair required at a reasonable cost.
- (4) A unit "suitable for rehabilitation" is defined for purposes of this certification as a unit whose estimated repair, rehabilitation, weatherization, and/or general improvement costs do not exceed one half of its replacement value after rehabilitation. The local government may use their own definition for "suitable for rehabilitation" provided such definition is made public and DED determines the definition to be acceptable.
- (5) Replacement LMI units must be provided within three years from the start of demolition or conversion and must be:
  - \* located within the same jurisdiction;
  - \* sufficient in number and size to house at least the number of occupants that were or could have been housed; according to local occupancy codes;
  - \* provided in standard condition or brought up to a standard condition; and
  - \* designed to remain LMI units for ten (10) years.
  - \* Replacement units may include public housing and housing with Section 8 project-based assistance.

- (6) Assistance cannot be obligated to the demolition or conversion activity until the local government makes public and submits to DED information that identifies:
  - the activity;--the location and number of units by bedroom size;
  - the proposed demolition or conversion schedule;
  - the number and placement of replacement units and their size;
  - the source of funding and time schedule for replacement units; and
  - the basis for concluding that each replacement unit will remain a LMI unit for 10 years.

- b. Relocation assistance must be provided to each LMI family displaced by the demolition or conversion to another use of any housing unit because of an assisted activity. Persons must be provided assistance as prescribed in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) or 24 CFR 570.496a(c).

### Section 5.03 The Use of Consultants

There are a number of reasons why a community may want to use consultants to assist with preparing a Community Development Block Grant application or administering a grant, such as when:

- a) the work requires special professional services, such as accounting, architectural, engineering, or legal services;
- b) the local staff is inexperienced in the area of grant writing or project administration, or is already committed to other ongoing activities; or

- c) the work involves a short-term, but somewhat specialized project activity that does not justify hiring experienced, full-time staff.

Communities selected for CDBG funding will receive detailed training and written guidelines regarding the federal and state requirements for selection of consultants to assist with project implementation, such as engineers or project administrators. The federal requirements do not apply to communities selecting consultants to assist with the preparation of an application.

Several points should be considered before selecting any consultant, engineer, architect, or other professional to help assure that the community will receive satisfactory service.

### 1) “Loss-Leader” Arrangements

“Loss-leader” arrangements, where a consultant offers to prepare a grant application or preliminary engineering estimates at cut rates or at no cost in return for a future contract if the application is funded, are prohibited by federal regulations. Some firms may suggest this approach because costs incurred by a city or county prior to the award of a CDBG, such as preparation of the application or preliminary engineering studies, are not eligible for reimbursement with CDBG funds. However, loss-leader arrangements violate federal regulations which require “maximum open and free competition.” Professional organizations also consider this practice unethical because it deprives the client of the benefits that can result from competition among competent, professional firms.

### 2) Selection of Engineers or Administrative Consultants Prior to Grant Award

In some cases, local officials decide to procure the services of an engineer to assist them with both preparation of preliminary engineering plans and project engineering, in the event their community is selected for grant award. Likewise, some communities want to conduct one procurement process to cover both grant preparation and grant administration. This approach is permitted under federal procurement regulations. Obviously, in both cases, the selection process would occur prior to grant application. Any agreement between the community and the engineer or consultant that includes preliminary and project engineering or grant writing and administration services would have to be contingent upon award of a CDBG. Any such contract also would have to have the prior approval of the Department of Economic Development to assure that federal procurement procedures were complied with and that all required federal clauses are included in the contract. Local officials would have to follow the procedures briefly outlined below under Competitive Proposals.

### 3) Competitive Proposals

Procurement by “competitive proposals” is a method used to meet federal and state requirements for soliciting architectural, engineering, legal, management, or accounting services. If your CDBG application is selected for funding, this is the procedure that is most appropriate to solicit and select professional services for your project. You may also want to use this procedure to select a consultant to assist you with the preparation of a CDBG application.

Competitive proposals are advertised and requested from several qualified sources.

HUD regulations for competitive proposals require the following:

- a) Requests for proposals (RFP's) or qualifications (RFQ's) must be publicized and identify all evaluation factors and their relative importance (examples might be technical expertise of the firm and its personnel-25 points; past record of performance on projects of similar nature, including quality of work and cost control-25 points; familiarity with CDBG program-20 points; capacity of firm to perform the work within time schedule-20 points; nature and extent of services proposed versus estimated fees – 10 points; etc.);
- b) Proposals must be solicited from an adequate number of qualified sources (at least three);
- c) Grantees and subgrantees must have a method for conducting technical evaluations of the proposals received according to the criteria specified in the RFP and for selecting awardees;
- d) Awards must be made to the responsible firm whose proposal is most advantageous to the program, with price and other specified factors considered; and
- e) Grantees may use competitive proposal procedures for qualification based procurement of architectural/engineering (A/E) professional services, whereby competitors qualifications are evaluated and the most qualified competitor is selected subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of Architectural or Engineering services.

DED recommends sending RFP's to firms serving your region of the State. In addition to advertising in your local newspaper, you should also advertise in at least one other newspaper that is widely distributed in your region of the state. The community would evaluate the firms responding and could then conduct interviews with one or more of the firms responding and select a consultant. The community then negotiates a contract with terms and conditions to its satisfaction.

A response to an RFP should not be confused with a competitive bid. A bid is an estimate of cost in response to detailed specifications. A response to a RFP in the competitive proposal process is a description of how a consultant proposes to approach solving your problem. Competitive proposals refer to the comparison of qualifications and may include fees where required or deemed appropriate. However, the main focus in selecting the consultant is to evaluate the content of the proposal and the consultant's qualifications and demonstrated competence.

### 4) References

Any time a consultant solicits your business you should always check references prior to contracting with them. Request a list of prior clients, showing the organization's name, address, phone number and contact person, as well as a brief description of the work performed. A list of the most recent clients is preferable (especially previous CDBG projects). Contact each reference. Some useful questions might be:

- ⇒ Were you satisfied with the work?
- ⇒ Was it performed on time?
- ⇒ Was the consultant knowledgeable about the program?
- ⇒ Were the tasks or work products prepared by the consultant useful?
- ⇒ Did the consultant work with local staff to develop local capacity?
- ⇒ Were the costs or charges reasonable? Did they stay within their original budget?
- ⇒ Would you hire them again?

Also check to see if the work done for these clients is similar to what you want the consultant to do. The ability to write a grant application does not mean the same consultant has the capability to assist you with managing a grant.

Sometimes the firm you are interested in will be a new firm with few if any client references. New, small firms can be just as good as well established, large firms, so instead of asking for client references, you would ask for past employer references.

Checking references prior to contracting is the most important action you can take to avoid becoming involved with a less than satisfactory firm.

## 5) Involve Local Staff

Whenever you retain a consultant to assist you with preparing a grant application or managing a CDBG project, make sure that someone from the city or county works with the consultant and understands the community's application or the management issues involved. You should have a local staff person become familiar with the regulations for the CDBG program and work closely with the consultant in developing the application or managing the project. A consultant is a technical resource.

## Section 6.01 Glossary of Terms

### *Age of seniors*

For purposes of this program and qualifying a project as meeting the low- and moderate-income national objective by principally benefiting seniors, a senior citizen is a person aged 62 or older.

### *Assessment Abatement*

To pay fees levied against private property for the costs of public facilities activities (see special assessment). In order to maximize benefit to low- and moderate-income households, funds may be used to abate the assessments for these owner-occupied households.

### *Community Development Need*

A demonstrated deficiency in housing stock, public facilities, economic opportunities, or other services which are necessary for developing or maintaining viable communities.

### *Department or DED*

Nebraska Department of Economic Development. The state agency that administers the federal Community Development Block Grant State Program for communities under 50,000 in population with funds allocated to the US Department of Housing and Urban Development.

### *Disability*

Any condition or characteristic that renders a person an "individual with disabilities" as defined in 24 CFR Part 8.3

(Code of Federal Regulations). An "individual with disabilities" means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment.

### *Eligible Activities*

Those activities authorized in Section 105(a) of the amended 1974 Housing and Community Development Act. However, the State and local participants have developed priorities, listed in *Section 3.01*, that best serve their interests and increase the likelihood of being funded.

### *Family*

A family is defined as all persons living in the same household who are related by birth, marriage or adoption. An individual living in a housing unit that contains no other person(s) related to him/her is considered to be a one-person family for this purpose. A dependent child who is living outside of the home (e.g. students living in a dormitory or other student housing), is considered for these purposes to be part of the family upon which he/she is dependent, even though he/she is living in another housing unit.

### *Firm Public or Private Commitment*

An agreement by a private or public party to take part in a local community development project. The party must demonstrate the capacity to carry out the activity specified in the grant application. The agreement may take the form of a city council or county board resolution, letter from a governmental agency, or a letter of credit from a private lending institution.

### *Flood and Drainage*

Facilities designed to influence or affect the flow in a natural water course (such as a river, stream, lake or intermittent stream) and excludes storm sewers.

### *Grant Closeout*

The process by which the department determines that all applicable administrative actions and all required work have been completed by the grant recipient and the department.

### *Grant Contract*

The legally binding contract between the state and a grant recipient. It consists of: the notice of grant award, special conditions to the contract, certifications to comply with applicable state and federal regulations, the project budget, and the grant application.

### *Household*

All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

### *Housing and Community Development Needs Assessment*

A statement by the applicant that lists the community's development needs, including housing needs and needs of low- and moderate-income persons and strategies to address the needs. Required of all applicants to be eligible for CDBG funding under Title I of the Housing and Community Development Act.

***Income***

Income includes all monies received by all members of the family, who are age 15 or older, such as gross wages and salaries, bonuses, tips, interest, dividends, social security, other retirement, supplemental security income, welfare, disability, VA payments, unemployment, alimony, other. A family that is involved in a business where the finances are interrelated with the family budget (such as a farmer) should consider their income as net after expenses, as reported to the Internal Revenue Service.

***Leverage***

Funds that are committed to the project activities exceeding the required match. Leverage may include public and private funds, or in-kind services, such as materials, labor, or other items that are directly related to the project. Leveraged funds may be considered only if they are spent during the project period (Date of Release of funds through the project completion date). The amount of leverage must be given in dollars.

***Low- and Moderate-Income Person***

A member of a family having an income equal to or less than the Section 8 low-income limit established by HUD (80% or less of the area median). Unrelated individuals shall be considered as one person families for this purpose.

***Low-Income Person***

A member of a family having an income equal to or less than the Section 8 “very low” income limit established by HUD (50% or less of the area median). Unrelated individuals shall be considered as one person families for this purpose.

***Single Purpose Project***

One or more activities designed to meet a specific community development need.

***Special Assessment***

A fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement; or a one time charge made as a condition of access to the improvement. The amount of the fee represents the pro rata share of the capital costs of the public improvement levied against the benefiting properties. For additional information see *Section 3.02 (3)*.

***Target Area***

A defined geographic area within which an applicant has determined that, based on community plans or other studies, there exists a need for community development activities. A target area may be a neighborhood of 100 or more families in a community or an entire community. For additional information see *Section 3.02 (4)*.

## APPENDIX 1

### Guidance for Surveying Low- and Moderate Income Status of CDBG Service Area

#### **THE FIRST STEP: DEFINE THE SERVICE AREA**

Defining the service area of the proposed CDBG project is the first, and most important, step in the income survey process. Defining the service area will tell you if you need to conduct an income survey, who to survey, what type of survey to use, etc.

Boundaries of the service area may not coincide with officially recognized boundaries or census tracts. Service area boundary examples include: a street paving project that benefits a portion of the community; a fire station project that serves the community and rural unincorporated areas in 2 or more counties; and a rural water district that serves the community and a portion of the surrounding rural area. The boundaries of the service area are defined by the proposed project.

#### **REASONS TO CONDUCT AN INCOME SURVEY**

An income survey may need to be conducted in order to determine if the service area of the proposed CDBG project meets the low to moderate income area benefit (LMA) CDBG national objective. Income surveys are normally conducted when the US Census Bureau data for the service area does not meet the 51% low- and moderate income persons (LMI) threshold, but the local government entity applying for CDBG funds has reason to believe that the service area is actually at or above 51% LMI. If the US Census Bureau data is near 51% LMI or if local social and/or economic factors have changed significantly since the last US Census, it may be worthwhile to conduct an income survey if the local government believes that the service area is truly at or above 51% LMI.

An income survey may also need to be conducted because of the service area itself. If the service area is not coterminous with the census tract(s), it will be necessary to conduct an income survey to determine if the area meets the 51% LMI threshold. If the service area includes a census tract, but also includes rural areas that are not a part of the census tract, the entire service area must be surveyed. It is not acceptable to use US Census data for a portion of the service area and an income survey for the remainder of the service area. You may use both sets of data only if they each meet the 51% threshold individually—these two sets of data cannot be added together in an attempt to meet the 51% LMI threshold.

#### **WHO TO SURVEY?**

The Department of Housing and Urban Development (HUD) requires a measure of families in the service area in order to meet the LMA national objective. HUD defines the family as “all persons living in the same household who are related by blood, marriage, or adoption.” For the purposes of CDBG and HUD, the population that needs to be surveyed is the families that will benefit from the proposed activity.

HUD also defines the difference between family (defined above) and household, which is “all persons occupying the same housing unit regardless of their relationship to each other.” Remember, when conducting the income survey, the population that needs to be measured is FAMILIES, not households. Households may actually contain more than one family. This becomes important if a survey is sent to a household containing more than one family. The individual selected will answer the questions as they pertain to his/her FAMILY, not the household.

However, determining the number of families in the service area may need to be based on households in the service area (please see “What Families are in the Service Area” below) because the information available to you about your sample, or service area, is largely relevant to households. This is acceptable. Keep in mind that while a list of households can be used to compile an estimate of families in the service area for purposes of determining overall numbers and sample size, the survey itself needs to be answered based on HUD’s definition of family.

Once the survey has been conducted, the number of LMI individuals is extracted from the family data. The number of LMI individuals in the families surveyed is the basis for the LMI percentage that must meet the 51% threshold.

#### **WHAT FAMILIES ARE IN THE SERVICE AREA?**

Once the service area has been defined, the families within that service area need to be identified. As stated above, a resource that will provide a list of all of the families in the service area is difficult to come by. To estimate the number of families in the service area, it is acceptable to use lists that will provide the number of households in the service area. Such resources might include utility service lists, telephone directories, tax rolls, or simply going door-to-door in small areas.

Each of these methods has some hazards associated with it. For instance, telephone directories will exclude people who either don’t have phones or who exclusively use cell phones. Tax rolls will identify the property owner, but not necessarily

residents. You will need to use your best judgment in determining which resource is best. Again, the service area and the characteristics of the service area need to be taken into consideration when choosing a resource.

In general, the number of families and the number of households in a service area will not differ to such a great extent that it will invalidate your survey. Furthermore, knowledge of the service area can help you determine if a greater effort is necessary to try to specifically determine the number of families in the area. For example, if one portion of the service area is predominantly apartment complexes and, based on your knowledge of the service area, you have a pretty good idea that these apartment complexes are largely households containing more than one family, you may need to go door-to-door in these areas or make a greater effort to actually identify the number of families in the service area.

## **WHAT TYPE OF SURVEY TO USE**

After the number of families in the service area has been determined, the choice between a census survey and a random sample survey needs to be made. A census survey includes the entire population that will benefit from the proposed activity and is generally recommended for populations of 200 families or less. A random sample survey uses a subset of the population chosen on a random basis to make assumptions about the whole population and is recommended for populations of 200 or more families.

### *Census Survey*

The census survey needs to have a very high response rate. Preferably, the response rate should be 100%. That being said, the LMI percentage calculation for a census survey is not based upon the number of LMI respondents and the total number of respondents. Rather, the percentage is based upon the number of LMI respondents and the total number of individuals in the service area. Those from families that do not respond are automatically considered non-LMI individuals. This eliminates the need for the Department to require a specific response rate and encourages those conducting the survey to strive for high response rates in order to meet the 51% threshold.

Step 1: Determine the total number of families in the service area. This may be done with the resource deemed most accurate for the community or through more thorough methods if it is determined that such measures are necessary for the service area. You will need to survey each family on this list.

Step 2: Follow steps 4-6 under Random Sample Survey steps (beginning on page 5 of the appendix).

### *Random Sample Survey*

There are specific steps that need to be taken to ensure the reliability and validity of the random sample survey. The Department is providing the following working model that should be followed to help increase the reliability and validity of your survey. All of the following guidelines are in accordance with HUD CPD 05-06 (<http://www.hud.gov/offices/cpd/lawsregs/notices/2005/05-06.pdf>) and social science research methods.

Step 1: Determine your sample size.

- a) Go to <http://surveysystem.com/sscalc.htm>
- b) Enter a confidence level of 95% and a confidence interval of 4
- c) Enter the number of FAMILIES (or households based on the list used to determine total number in the service area)

The number that is calculated in this step is the number of surveys that must be completed.

Step 2: Oversampling

It is acceptable to oversample by 20%. For example, if you have a total of 500 families in the service area, the sample size calculator in step 1 (above) will tell you that you need a total of 273 completed surveys, but you may actually choose a sample of up to 328 ( $273 * 20\% = 54.6$ ;  $55 + 273 = 328$ ).

It is important to attempt to obtain responses from the original randomly chosen families (in our example, these would be the first 273 chosen). In the event of a non-response from one of these families, a method for follow-up, including how many times to follow-up with a family and how they will be reached for follow-up (mail, phone, etc.), needs to be created.

While it is most accurate and random to obtain surveys from the original families chosen (again, in our example the first 273), these families may be replaced by families in the oversample if the follow-up procedures are unsuccessful and you are unable to get a response. The recommended method for replacement requires that surveys NOT be sent

to the oversample until they are needed as replacements (the oversample is the additional 55 families as calculated above). Then, the first family that is a non-respondent would be replaced by the 274<sup>th</sup> family, the second family would be replaced by the 275<sup>th</sup> family, etc. It is preferred that the oversample surveys only be sent out as it is determined that they are needed as replacements.

In consideration of simplicity and time constraints, it is acceptable to send out all surveys at once and only use the oversample surveys returned as needed for replacements. If you choose to use this method for replacement, you must keep specific documentation of the surveys sent out, the responses, the follow-up attempts, the replacement family/survey used, where they fell on the initial list, etc. If you receive more surveys than determined by the sample size using this method, do not include all of the data in your results.

If you choose to send out the sample and oversample surveys at the same time, you must attempt to replace the first non-respondent with the first family on the oversample list, second non-respondent with the second family, etc. If the first family from the oversample did not respond, you should attempt to follow up with this family before moving on to the next. Using whoever happened to respond in the oversample for replacement is not random and will make your results less accurate. The replacement methods outlined above must be strictly followed to ensure the reliability and acceptance of your results.

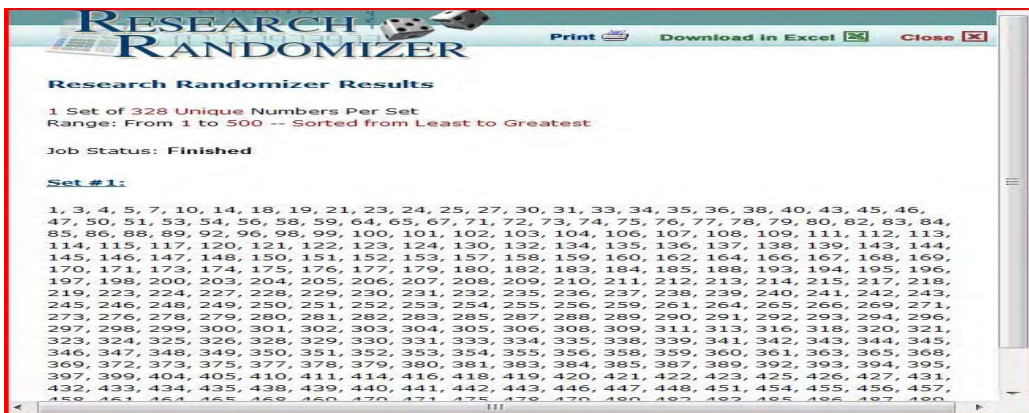
It is not acceptable to oversample by more than 20%. Oversampling of this magnitude can significantly reduce the reliability of your survey. Income surveys that sample in excess of 20% will not be accepted by the Department.

### Step 3: Randomly Select the Sample

To randomly select the sample, numbers must be assigned to the entire population in the service area. Using whichever resource was determined as the most accurate for determining the population of the service area, create a list and number that list. Each family in the service area will be included in the numbered list.

Next, use a random number generator to produce the desired number of random numbers. The Department recommends using a random number table or using the random number generators at [www.randomizer.org](http://www.randomizer.org) or [www.random.org](http://www.random.org). For both of these random number generators, you will need to enter the required number of random integers required (in our ongoing example, 273 or 328 with the oversample). You will also need to enter the parameters for the values. In our example, the parameters would be 1 to 500, as 500 is the total number of families on the list). So, in our example, you will then be given a total of 328 random numbers between 1 and 500. The families whose numbers on the list correspond to those from the random number generator are the families that should receive surveys.

In the sample random number table below, the families on our hypothetical list that would receive surveys includes family 1, family 3, family 4, family 5, etc.



The screenshot shows the 'Research Randomizer Results' page. It displays a list of 328 unique random numbers generated from a range of 1 to 500, sorted from least to greatest. The numbers are listed in a single line, separated by commas. The first few numbers are 1, 3, 4, 5, 7, 10, 14, 18, 19, 21, 23, 24, 25, 27, 30, 31, 33, 34, 35, 36, 38, 40, 43, 45, 46, 47, 50, 51, 53, 54, 56, 58, 59, 64, 65, 67, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 82, 83, 84, 85, 86, 88, 89, 92, 96, 98, 99, 100, 101, 102, 103, 104, 106, 107, 108, 109, 111, 112, 113, 114, 115, 117, 120, 121, 122, 123, 124, 130, 132, 134, 135, 136, 137, 138, 139, 143, 144, 145, 146, 147, 148, 150, 151, 152, 153, 157, 158, 159, 160, 162, 164, 166, 167, 168, 169, 170, 171, 173, 174, 175, 176, 177, 179, 180, 182, 183, 184, 185, 188, 193, 194, 195, 196, 197, 198, 200, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 217, 218, 219, 223, 224, 227, 228, 229, 230, 231, 232, 235, 236, 237, 238, 239, 240, 241, 242, 243, 245, 246, 248, 249, 250, 251, 252, 253, 254, 255, 256, 259, 261, 264, 265, 266, 269, 271, 273, 276, 278, 279, 280, 281, 282, 283, 285, 287, 288, 289, 290, 291, 292, 293, 294, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 308, 309, 311, 313, 316, 318, 320, 321, 323, 324, 325, 326, 328, 329, 330, 331, 333, 334, 335, 338, 339, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 358, 359, 360, 361, 363, 365, 368, 369, 372, 373, 375, 377, 378, 379, 380, 381, 383, 384, 385, 387, 389, 392, 393, 394, 395, 397, 399, 404, 405, 410, 411, 414, 416, 418, 419, 420, 421, 422, 423, 425, 426, 427, 431, 432, 433, 434, 435, 438, 439, 440, 441, 442, 443, 446, 447, 448, 451, 454, 455, 456, 457, 459, 461, 464, 465, 468, 469, 470, 471, 475, 478, 479, 480, 482, 483, 485, 486, 487, 490.

Source: [www.randomizer.org](http://www.randomizer.org)

### Step 4: Creating the Survey Instrument

- a) **INCOME DATA:** In order to gather data on low-to-moderate income families, you must use the HUD Section 8 income limits. These change each year and are specific to each county. This data can be found at [www.huduser.org/datasets.it.html](http://www.huduser.org/datasets.it.html).

## FY 2008 Income Limits Summary

Adams County, Nebraska										
FY 2008 Income Limit Area	Median Income	FY 2008 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Adams County	\$56,700	Very Low (50%) Income Limits	\$19,850	\$22,700	\$25,500	\$28,350	\$30,600	\$32,900	\$35,150	\$37,400
		Extremely Low (30%) Income Limits	\$11,900	\$13,600	\$15,300	\$17,000	\$18,350	\$19,700	\$21,100	\$22,450
		Low (80%) Income Limits	\$31,750	\$36,300	\$40,800	\$45,350	\$49,000	\$52,600	\$56,250	\$59,850

Source: <http://www.huduser.org/datasets/il.html>

The above sample includes the income limits for Adams County. Be sure to use the income limits specific to your county when creating your survey instrument. If your service area covers two different counties, you will need to create two separate survey instruments with the appropriate income limits.

- b) **SURVEY QUESTIONS:** The next step in creating the survey instrument is developing the survey questions. At a minimum, the survey must include questions about family size and total family income. For example, you could ask:

How many persons are there in your family including yourself? Family as defined by HUD is “all person(s) living in the same household who are related by birth, marriage or adoption.” An individual living in a housing unit that contains no other persons related to him/her is considered to be a one-person family for this purpose; however, a dependent who is living outside of the home (e.g. students living in a dormitory or other student housing) is considered for these purposes to be part of the family upon which he/she is dependent, even though he/she is living in another housing unit. Adult children who live at home with their parents are considered to be part of the family for this purpose and their income must be counted in determining the total family income.

Is the current, combined income of all family members residing at this address above or below \_\_\_\_\_? (appropriate income amount as determined at [www.huduser.org/datasets.it.html](http://www.huduser.org/datasets.it.html)) Income should be defined as all monies received by all members of the family who are age 15 or older, including gross wages and salaries, bonuses, tips, interest, dividends, social security, other retirement, supplemental security income, welfare, disability, VA payments, unemployment, alimony, etc. A family that is involved in a business where the finances are interrelated with the family budget (such as a farmer) should consider their income as net after expenses, as reported to the Internal Revenue Service.

### Question Wording

Question wording is important to survey instrument design because good questions promote accurate answers, help you gather the desired data, and can increase the validity of your results (Johnson, Joslyn, & Reynolds, 2001). Avoid double-barreled questions, which ask two questions within one question. For example, “Do you think the village needs street repairs and additional paved streets?” asks two questions in one. If a respondent believes that the village streets are in need of repair, but does not believe that additional paved streets are a main concern for the village, that respondent would not be able to accurately answer the question.

It is also important to avoid ambiguity in survey questions. As seen above in the sample questions, be sure to accurately define concepts within the questions. Income and family are two concepts that could be interpreted in many different ways. Without a clear definition, the survey is not collecting the same data from each respondent. Ambiguity can destroy the validity and reliability of your survey and should be avoided at all costs.

Leading questions must also be avoided. A leading question includes cues that lead a respondent to a particular answer. For example, for CDBG, including information about the necessity of having at least 51% LMI individuals within the service area could lead individuals to incorrectly report their income in order to qualify for CDBG funding. Choice of words in the question can also lead respondents to a particular answer. For instance, research has shown that people respond more favorably to “providing assistance to the needy” than to helping those on “welfare.” The inclusion of leading questions in your survey can create bias and invalidate your results from a methodological standpoint.

Overall, avoid references to CDBG, low-income people, etc. in your survey instrument design. This also applies to any cover sheets, introductory paragraphs, or publicity about the survey.

### Step 5: Publicizing the Survey

Publicizing when the survey will be conducted, how it will be conducted, and why it will be conducted can significantly increase your response rate. Most importantly, providing information regarding the reason for conducting the survey can make people less hesitant about answering questions regarding personal income

information. While you cannot specifically state in your publicizing efforts that the survey is being conducted to apply for CDBG funds or to find out how many low-to-moderate income people are in the area, you can provide some general information. For example, you can tell people that a current estimate of incomes in the service area is necessary in order to apply for grant funds.

It is extremely important to avoid creating any bias in your survey results by including information that could lead respondents to answer the survey questions in a particular way. If a respondent refuses to answer the questions without knowing exactly why the survey is being conducted, you should consider that person a non-respondent and take the appropriate measures to replace that respondent.

#### Step 6: Conducting the Survey

When you are ready to actually conduct the survey, you need to choose your survey method. Survey methods include telephone surveys, mail surveys, and face-to-face interviews. You may choose one or a combination of methods. For instance, you may choose to initially mail out surveys and then use the telephone method for follow-ups. Each method has strengths and weaknesses. Please see the chart below for a comparison of the strengths and weaknesses of each method. It is up to you to choose the method most appropriate for your individual circumstances and available resources.

**Summary Comparison of the Three Survey Methods**

<b>Dimension of Comparison</b>	<b>Mailed Questionnaire</b>	<b>Face-to-Face Interview</b>	<b>Telephone Interview</b>
<b>Cost</b>	Moderate	High	Low
Data Quality			
Response Rate	Low	High	Moderate/High
Respondent Motivation	Low	High	High
Interview Bias	None	Moderate	Low
Sample Quality	Low	High	Moderate
Interview Length	Short	Very Long	Long
Ability to Probe and Clarify	None	High	High
Speed	Low	Low	High
Interviewer Supervision	None	Low	High
Anonymity	High	Low	Low
Ability to use computer assistance during process	None	Possible	High
Dependence on respondent's reading and writing abilities	High	None	None
Control of Context and Question Order	High	High	High

Source: <http://www.hud.gov/offices/cpd/lawsregs/notices/2005/05-06.pdf>

If you choose to use either the telephone interview method or the face-to-face interview method, there are additional steps that need to be taken to train the interviewers. Interviewers must receive some amount of training in order to ensure that the interviewer asks the questions in the same way, in the same order, and does not inadvertently bias the results.

There are several topics that need to be addressed with the interviewers during training (Trochim, 2001). First, the interviewers, unlike the respondents, need to know exactly why the study is being done. Knowing why the study is being done and why it is important will motivate the interviewers make every attempt to get respondents to answer the pertinent questions. It is also important for the interviewers to understand why sampling is so important to the survey results. If the interviewer understands the importance of the random sample, they will be more likely to follow the lists that were chosen via random sample. Most importantly, interviewers need to understand interviewer bias and how to avoid it. Subsequently, they need to understand that they have to remain neutral and cannot share with the respondent the reasons for the survey nor can they tell the respondent how to answer.

It is also useful to walk through the survey with the interviewers and actually rehearse the interview in order to prepare the interviewers for actual situations they may run into when conducting the interviews for the actual study. Finally, you must also make sure that the interviewers understand who should actually be interviewed for the survey—for instance, to gather data on family income; you will want to only speak to the someone who will have information on income for the entire family. In other words, determine who would have the knowledge you are trying to capture and communicate this to the interviewers.

**RESULTS (BOTH CENSUS SURVEY AND RANDOM SAMPLE SURVEY)**

After administering the survey, it is time to tabulate the results. Use the table below to determine your results (this table is also found in Exhibit E of the CDBG application).

Tabulated Income Survey Results									
Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person	Total
# Above									families
Income Limit									people
									people
# Below									families

You will also need to complete Exhibit E from the CDBG application, the Low-to-Moderate Income Worksheet. This will determine your percentage of LMI individuals in the service area. Remember, if you have conducted a census survey, this percentage will be based upon the total number of people in the service area, not the total number of individuals in the pool of respondents. If you conducted a random sample survey, the percentage will be based upon the random sample.

If the LMI percentage is in the range of 51%-54% and you conducted a random sample survey, you will need to conduct further analyses. This is due to the fact that the confidence interval is 4. For example, if your study shows that 53% of the individuals in the service area are LMI, the true percentage could be either 4% above or below this number. These additional analyses will indicate whether or not you have a normal distribution and further demonstrate the validity and reliability of your results.

There are two additional analyses you will need to conduct. You will need to compare the average size of the LMI families to the average size of above LMI families. These numbers should be fairly close. Second, you will need to compare the percentages of LMI families to percentages of above LMI families for each family size. This can be done using Table C, a copy of which is found below.

TABLE C  
Table for Comparing the Distribution of Family Size by Family Income

Number of Persons in Family	Families With Low-Mod Incomes		Families Above Low-Mod Incomes	
	Number	Percent	Number	Percent
One				
Two				
Three				
Four				
Five				
Six				
Seven				
Eight				
Nine or more				
Total		100%		100%

The percentages of above and below for each family size should be fairly close together. Also, most of the families in both LMI and above LMI categories should be largely grouped around the averages to indicate a normal distribution. The presence of a large number of families on the edges of the distribution should include a demographic explanation---for instance, maybe the community has a large elderly, widowed population and this materializes in a large number of one person families.

Another useful analysis is the identification of the mean, median, and mode for family size in both the low-mod income and above low-mod income categories. These statistics are simple to calculate and, if all of the numbers are equal or close to equal, you can conclude that your survey findings are probably accurate. The mean is simply the average. The median is the exact middle value. To find the median, list all respondents' family size in numerical order (for example, your list may start out as 1, 1, 1, 1, 1, 1, 2, 2, 2, 2, 2, 2, 2, etc.) and then locate the number in the center of the responses. Simply add one to the total number of families in your sample and divide by two. The response located at that particular spot is the median. Finally, the mode is the family size that occurs most often. Inserting your numbers into a spreadsheet can make the process of finding the mean, median, and mode very simple.

### **AFTER YOUR SURVEY IS COMPLETE (BOTH RANDOM SAMPLE AND CENSUS SURVEY)**

Be sure to document your results carefully. You must keep all completed surveys, a list of the households that were surveyed, and document your selection process. This is relevant regardless of whether a census survey or a random sample survey was conducted.

The Department will accept surveys that have been conducted within the last four years. A survey that was conducted after January 1, 2005 will be accepted by the Department, provided that the survey was conducted in accordance with HUD regulations and is determined to be methodologically sound.

### **COMMON MISTAKES TO AVOID IN RANDOM SAMPLE SURVEY METHODS**

- 1) Make sure your sample is truly random. If you choose your responses from only a portion of the population, your results will not be accepted by the Department. For example, if a community needs assessment survey was conducted and income questions were asked on that survey, you cannot randomly sample from the responses you received unless you received a 100% response rate (nothing less!!!). (Besides, if you receive a 100% response rate, there is no need to randomly choose a sample—you would simply conduct a census survey.) In this circumstance, there will be people who did not respond to the needs assessment survey and these people have no chance of being in your random sample. A random sample requires that each person in the population has an equal chance of being chosen. If you are randomly choosing from only a portion of your population, you are not conducting a random sample!
- 2) You cannot survey a portion of your service area, use census data for another area, and then add those numbers together to try to meet the 51% threshold of low- and moderate-income persons. If the census data covers a portion of your service area and the census data for that area states that the area is at least 51% low- and moderate-income persons, you may survey the remainder of the service area—however, the area that you survey must reach the 51% threshold on its own. Again, you may use both types of data, but they must each meet the 51% threshold on their own—you cannot add these numbers together.
- 3) Do not oversample by more than 20%. As your sample size grows larger, the randomness and reliability (replicability) of your random sample survey decrease significantly.

### References

- Trochim, W.M.K. (2001). *The Research Methods Knowledge Base*. (2<sup>nd</sup> ed.). Cincinnati, OH: Atomic Dog Publishing.
- Johnson, J.B., Joslyn, R.A., & Reynolds, H.T. (2001). *Political Science Research Methods*. (4<sup>th</sup> ed.). Washington, D.C.: CQ Press.

## APPENDIX 2

### Comprehensive Needs Assessment Summary Table

City: \_\_\_\_\_

Date: \_\_\_\_\_

The Comprehensive Needs Assessment Summary must, at minimum, separately identify the needs of each Logical Record Area with a significant number of persons and concentration of Low to Moderate-Income persons that are 51% or higher based on 2000 HUD Census data.

Indicate the need for the particular items in the area by entering High or Low in the space provided. High indicates a severe or widespread problem in area. Low indicates a less serious or isolated problem in area. Blank space indicates no problem or not applicable. Other needs should be listed as necessary (see list of eligible CDBG activities for examples).

<b>Logical Record Area Number</b>																				
<b>Public Facility Needs:</b>																				
Senior Center																				
Youth Center																				
Child Care Center																				
Health Facility																				
Neighborhood Facility																				
Park/Recreation Facility																				
Other:																				
<b>Infrastructure Needs:</b>																				
Water																				
Sanitary Sewer																				
Storm Sewer																				
Street																				
Sidewalk																				
Other:																				
<b>Housing Needs:</b>																				
Targeted Owner Occupied Rehab																				
Targeted Rental Rehab Program																				
Homebuyer Programs																				
Other:																				
<b>Homeless Needs:</b>																				

<b>Planning Needs:</b>										
<b>Economic Development:</b>										
<b>Public Service Needs</b>										
Population										
Number LMI										
Percent LMI										
Census or Survey										
Date of Survey*										

\* Complete only if survey was conducted to qualify area.

## APPENDIX 3

### **Part VI: Proposed Homebuyer Program Guidelines**

Attach the proposed homebuyer program guidelines for the proposed project.

Proposed Homebuyer Program Guidelines must contain the following information:

- 1) *Clearly defined Application Process* that includes (1) applicant eligibility, including income eligibility, (2) formal notification of selection and non-selection, (3) application acceptance dates, and (4) application review process
- 2) *Priority Ranking System for selection*, if applicable, must not contain discriminatory criteria such as preference for minorities or large families.
- 3) *Conflict of Interest Clause*
- 4) *Grievance Procedures*
- 5) *Process for Amending Program Guidelines*, including language that amendments must be approved by the NDED Program Representative
- 6) *Types of assistance provided*, including CDBG funds and other sources such as employer contributions in an employer assisted housing program
- 7) *Amounts of assistance allowed*, including CDBG funds and other sources such as employer contributions in an employer assisted housing program
- 8) *Eligible Properties*, including the geographic boundaries where the properties must be located.
- 9) *Affordability Period*
- 10) *Methods for ensuring the affordability period and principle residence requirement* that include (1) program-wide recapture or resale provisions and (2) legal instruments to be used.
- 11) *Appropriate Lead Based Paint Procedures*, this applies to all programs.
- 12) *Relocation policy*, if applicable
- 13) *Rehabilitation process*, if applicable
- 14) *Plan for Reuse of Program Income* generated from the project that includes (1) CDBG eligible activities the funds may be used for (including specific percentage maximums for general and housing administration costs) and (2) reference to Program Guidelines that apply to reused funds OR (3) a statement that all Program Income or CHDO proceeds will be returned to NDED for reuse.
- 15) *Plan for Reuse of Recaptured Funds* (funds recaptured during the HUD-imposed affordability period), if applicable, that includes (1) CDBG eligible activities (excluding general administration), (2) reference to Program Guidelines that apply to reused Recapture Funds OR (3) a statement that all Recapture funds will be returned to NDED for reuse.

## APPENDIX 4

### **Proposed Homeowner Rehabilitation Program Guidelines**

Guidelines must contain the following information:

- 1) *Clearly defined Application Process* that includes (1) applicant eligibility, including income eligibility, (2) formal notification of selection and non-selection, (3) application acceptance dates, and (4) application review process
- 2) *Priority Ranking System for selection*, if applicable, must not contain discriminatory criteria such as preference for minorities or large families.
- 3) *Conflict of Interest Clause*
- 4) *Grievance Procedures*
- 5) *Process for Amending Program Guidelines*, including language that amendments must be approved by the NDED Program Representative
- 6) *Types of assistance provided*, including CDBG funds and other sources such as employer contributions in an employer assisted housing program
- 7) *Amounts of assistance allowed*, including CDBG funds and other sources such as employer contributions in an employer assisted housing program
- 8) *Eligible Properties*, including the geographic boundaries where the properties must be located.
- 9) *Determination of homeownership*, including the acceptable forms of proof of homeownership by the occupant.
- 10) *Determination of infeasibility*, including the criteria used to determine that a home is infeasible to rehabilitate and the plan, if any, to provide alternative assistance to the homeowner, such as replacement housing.
- 11) *Affordability Period*, if the program requires the home be occupied as principle residence for a minimum time period.
- 12) *Methods for ensuring the affordability period and principle residence requirement*, if applicable, that include (1) program-wide recapture provisions and (2) legal instruments to be used.
- 13) *Relocation policy*, if applicable
- 14) *Rehabilitation process*, who will conduct work write-ups, how contractors will be procured, and the process for compliance with LBP requirements.
- 15) *Return beneficiaries*, including policies on whether homeowners that have received rehabilitation assistance in previous years can receive additional assistance and any parameters related to this policy.
- 16) *Plan for Reuse of Program Income* generated from the project that includes (1) CDBG eligible activities the funds may be used for (including specific percentage maximums for general and housing administration costs) and (2) reference to Program Guidelines that apply to reused funds OR (3) a statement that all Program Income will be returned to NDED for reuse.



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