

APPLICATION GUIDE

COMMUNITY ENHANCEMENT FUND APPLICATION

ALABAMA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

PROGRAM YEAR 2020

Alabama Department of Economic and Community Affairs
401 Adams Avenue, Suite 500
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PY 2020
APPLICATION GUIDE
Community Enhancement Fund Application

The following guide is designed to assist applicants in properly filling out CDBG applications for the Community Enhancement Fund projects.

The applicant must adhere to this guide in responding to all items on the forms. Any variation from this guide may result in the application receiving an unfavorable funding decision. Any false data or misinformation may result in the applicant being disqualified from funding. The applicant, if necessary, may request further interpretation of the application forms or the following guide from the State CDBG staff.

The application forms are designed to give the State necessary information to review the applications. Information provided as an addendum to any item on the form, unless specifically indicated so, will not be considered by the State for review purposes. Applicants should limit their written responses to the space called for in the forms. Irrelevant and repetitive statements and attachments as well as claims of need without verifiable back-up information may negatively affect scoring.

The terms "applicant", "community", and "jurisdiction" are used interchangeably and are applicable to both cities and counties. In addition, in case of a project where beneficiaries reside in more than one community, the community with the most beneficiaries is required to be the applicant.

General Applicant and Project Information

A

- **Cover Letter:** A cover letter from the Chief Elected Official requesting CDBG funds from the State shall accompany all applications.
- **Application Summary Form:** Complete the Application Summary Form in its entirety.
- **Certifications:** The applicant for Community Development Block Grant funds is required to follow a detailed citizen participation plan. Additionally, a Four-Factor Analysis is required to determine the need for a Language Access Plan. Further, a resolution by the city council/county commission shall authorize the filing of the CDBG application by the Chief Local Elected Official. The law requires that the local government must hold at least one public hearing prior to filing the application to obtain the views of citizens on community development and housing needs, as well as provide other certifications. In the public hearing, the applicant shall furnish citizens with information concerning the amount of funds available for community development and housing activities, the range of activities that may be undertaken, a summary of the proposed project, and the estimated amount of funds proposed to be used for activities benefiting low- and moderate-income persons.

The applicant shall show here the date of the resolution and the date and place of the public hearing, certify that it is following a detailed citizen participation plan which addresses all mandated citizen participation elements, certify that it has conducted a Four-Factor Analysis and adopted a Language Access Plan, if required, and that the information in the application is true

and correct. The applicant shall remember that, upon funding, the State will monitor the grantee's record and performance to ensure compliance.

B1. Needs Assessment - Maximum of five text pages.

The applicant shall assess community-wide needs associated with housing and essential community development facilities and then assess needs and problems of low- and moderate-income persons. The assessment shall be mostly in quantifiable terms supported by a brief narrative. The essential community development facilities generally include water, sewer, streets, and drainage, as well as other facilities such as parks, senior/community centers, fire stations, etc., which are considered to be important by the community.

- Housing - Assess local housing stock by condition (sound, deteriorated, dilapidated), ownership, and housing type (mobile homes, apartments). Identify areas with concentrations of substandard units. Include housing and housing subsidy needs of low- and moderate-income persons.
- Water Services - Identify the number, percent, and location of households with inadequate or no access to potable water. Assess the provision of hook-ups to existing service, adequacy of water supply and storage, and the sufficiency of water pressure for fire protection. Include the water service needs of low- and moderate-income persons.
- Sewer Services - Identify the number, percent, and location of households without public sewer or adequate service hook-ups to existing sewer. Assess the adequacy and appropriateness of sewage collection and treatment facilities, the use and acceptability of septic tanks, and availability of sewer services to low- and moderate-income households.
- Streets - Assess the general street conditions, including the identification of unpaved, deteriorated, and unsafe streets. Include the adequacy of streets in areas with concentrations of low- and moderate-income households.
- Flood and Drainage Facilities - Identify areas and households, including low- and moderate-income households, who are susceptible to poor drainage conditions shown by frequent flooding and property damage caused by standing water.
- Other Community Development Needs - Identify the adequacy and availability of other facilities to residents, including low- and moderate-income residents, such as parks, senior/community centers, fire stations, etc., which are considered to be important by the community.

2. Project Development – Maximum of six text pages for parts (a) and (b) combined.

(a) In addressing the review criteria numbers one, two, and four, identify and explain the need(s) the applicant chooses to address. Out of the community development needs identified in the Assessment above, the applicant shall identify the need it chooses to address. The applicant must clearly identify the target group, if any, and be specific as to how the proposed needs are real and currently either not met or under-met. The applicant must avoid the activity purely

based on speculation, i.e., “build it and they will come”. Active citizen involvement and input will help towards justification of need. Likewise, photographs, media reports, and other evidentiary material can help document the need.

- For all projects conducting any activity taking place in a park property, the applicant shall submit a written concurrence from the ADECA Recreation and Conservation Program.
- The reasons cited by the applicant for choosing to address a specific need(s) will be reviewed during one or more site visits. The site visits will be used both to verify the accuracy of the information presented as well as to make a determination of the effective and efficient use of CDBG funds to address the proposed needs.
- Upon determination of need the applicant chooses to address, the applicant in this section shall describe the process used to identify activities that would best address the need of this specific project and need of the community in general. A public discussion between the elected officials, utility personnel, grant administrator, and engineer to weigh various options about the design, costs, and alternatives will likely result in the selection of better thought-out activities. After describing the process, the applicant shall describe all alternatives considered and explain why the proposed activity was determined to be the best solution to the problem/need identified.
- The applicant may supplement the written assessment with charts, maps, pictures, and other documentation. Repetition and verbosity may negatively impact the project’s scoring.

(b) In addressing the review criteria number five, describe all proposed activities and for each activity show estimates of the quantity and unit cost of all major cost items, including the cost of parks, building construction, property acquisition, professional and administrative services, and equipment. Professional engineering, architectural, and administrative services shall be broken down to show pre-agreement costs (if any) separate from other costs. Additionally, engineering costs shall distinguish between design, inspection, and other necessary costs including details as to the purpose of the other costs. Administrative costs shall identify whether or not they include eligible audit costs. For proposed buildings, provide construction cost estimates from an architect/engineer or licensed contractor. The proposed activities, including relevant details about these activities, shall be clearly identified on one or more maps. A separate map that shows concentrations of low- and moderate-income and minority persons and concentrations of assisted housing shall be included in this section.

- The description of the proposed CDBG activities must be brief, but thorough. For example, for neighborhood centers, parks, and playgrounds, the applicant must give information related to the size and location of the facility; different amenities proposed; acquisition of land, if necessary; major site improvements; and architectural, engineering, and inspection.

- The applicant’s estimate of major cost items shall be reasonable and accurate. If the applicant proposes new water and/or sewer service, the applicant is directed to the Small City, Large City, and County Fund Application Guide for guidance on ADECA’s policy regarding the required low- and moderate-income hookups.
- All activities described here shall be referenced to a map which shall become a part of the application. The map shall be at an appropriate scale, sufficiently detailed and adequately coded to easily identify all the proposed activities with appropriate dimensions and other relevant information. Additionally, a map depicting the entire jurisdiction that shows concentrations of low- and moderate-income and minority persons is required. This map should show the project area and must also include any concentrations of assisted housing. The map(s) shall not be too large to be conveniently filed. The map(s) should show landmarks (churches, etc.), if there are any; and streets and street names on the map should correspond to the actual streets and street signs in the project area. As stated before, site visits play an important role in the application evaluation process, and the State’s ability to conduct these visits factors into funding decisions.

3. Impact - Maximum of three text pages for part (a).

(a) In addressing the review criteria number three, describe the extent that the proposed project will impact the identified community development need(s) addressed. The applicant shall provide a qualitative and quantitative description of project impact in addressing the needs of the project area and/or the community including the number of beneficiaries, low- and moderate-income beneficiaries, directness of benefit, urgency or criticalness, secondary benefits, and life expectancy of improvements.

- The applicant shall describe qualitatively and quantitatively the impact the project will have in addressing the needs of the project area and/or community. Likewise, the applicant shall identify and explain the indirect benefits, if any, the proposed project will have. Indirect benefits are those which are not as direct and obvious as those identified in the Project Beneficiary Table such as increased water pressure, lower fire insurance rating, and additional water reserve when the proposed activity completes the loop or adds to the existing pumping capacity. This category works in concert with the Project Beneficiary Table to allow the State to determine if the project’s impact on the neighborhood and/or community will be extensive. If the project consists of more than one activity, the applicant shall show how together these activities enhance the scope of the project.
- Convincing evidence in support of intended uses and benefit is extremely important for project evaluation. For example, in the case of a senior center, to claim 50 seniors as beneficiaries will not fare well unless there is convincing evidence that the center is necessary and upon completion at least 50 seniors will participate in and benefit from the facility to the extent described in the application.
- The applicant shall indicate, with respect to normal usage and maintenance, how long the proposed improvements can be expected to function properly without the

need for major repair, rehabilitation, or replacement. The applicant shall provide an accurate and concise answer.

(b) Complete the Project Beneficiary Table in the application and describe in detail the methodology used to determine the data shown in the table. If the project involved a survey of the project area, provide survey maps and survey tally sheets (including street addresses) keyed to the survey maps. Additionally, the physical address of the project must be provided. The Project Beneficiary Table, tabulations, survey maps, and discussion of the survey methodology do not count toward the three-text page limit in part (a).

- The physical address (not Post Office box) of the project must be provided. If the project is located at a single location (treatment facility, storage tank, fire station, senior center, etc.) please provide the physical address of that location, including city and zip code. If the project will take place in a large area (water lines, etc.) please provide a range of addresses to be served. For example, a waterline rehabilitation project might list 100 to 340 Jones Street and 1400 to 2600 Smith Avenue Alabamatown, Alabama 55555. If the project is in the county, please identify which city/post office to which the addresses are linked.
- The applicant shall identify on the Project Beneficiary Table the total direct beneficiaries for each activity shown in Fund Usage and Benefit Table and of those direct beneficiaries, show by number, percent, and household the beneficiaries who are (1) very low-income persons; (2) low-income persons; and (3) moderate-income persons. Likewise, the applicant shall identify beneficiaries by specific ethnicity and race, and whether disabled and female-headed households. Only the persons who are unquestionably benefiting directly and substantially must be counted as direct beneficiaries. The term "direct beneficiaries" will be interpreted strictly and listing of questionable or inflated figures as direct beneficiaries may adversely affect the entire application. The following shall be used as a guide by the applicant to determine the number of direct beneficiaries. The applicant proposing an activity not shown below must carefully explain the basis for the determination of direct beneficiaries. For projects qualifying as joint projects, separately show total and low- and moderate-income beneficiaries for each participating jurisdiction with 30 percent or more of the project beneficiaries.
- Acquisition/Relocation - Persons to be relocated as a result of acquisition.
- Housing Rehabilitation - Persons living in dwelling units which are to be rehabilitated.
- Water Services - Persons living in dwelling units which are to be served by the extension of new water lines or the improvement of existing lines.
- Water Storage Tank, Pump, and/or Treatment Facility - New customers who may be served by the proposed facility. For facilities proposed to upgrade an existing system, the number of direct beneficiaries will equal the ratio of proposed increase to total proposed capacity (existing plus increase) times the number of existing customers. For example, if the proposed tank will increase the water

storage capacity from 100,000 gallons to 200,000 gallons then the number of direct beneficiaries will be 50 percent of the existing customers.

- Sewer Services - Persons living in dwelling units which are to be served by the extension of new sewer lines or the improvement of existing lines.
- Street Improvements - Persons living in dwelling units along the streets which will be paved or resurfaced or persons who have to use certain (proposed) streets to access their residences.
- Drainage Improvements - Persons living in dwelling units which will receive relief from the damaging effects of flooding and standing water.
- Parks, Playgrounds, Neighborhood Centers, and Senior Centers - Those persons who can be identified and documented with reasonable accuracy to be the actual users of the proposed facility.
- Redevelopment of Downtown or Neighborhood Business Centers - Unless the project is qualified as slum and blight, those residents living in the vicinity of the commercial area who depend on the business establishments for their shopping needs.
- The applicant shall describe here in detail the methodology used to determine total direct beneficiaries, and of those direct beneficiaries, the beneficiaries who are very low-, low-, and moderate-income persons. Very low-, low- and moderate-income levels are established by HUD and are based on applicable median incomes for the county. For Limited Clientele projects with Presumed Benefit Activities, (i.e., abused children, battered spouses, severely disabled adults, homeless persons, illiterate adults, persons with AIDS, migrant farm workers, and elderly) all beneficiaries should be counted as LMI. For abused children and homeless persons, they should all be reported as very low-income; for the remaining categories, the beneficiaries should be counted as low-income. However, if the assistance is to acquire, construct, convert, and/or rehabilitate a senior center, report the beneficiaries as moderate-income.
- The applicant shall describe in detail the methodology used to determine the ethnicity and race of the beneficiaries and further indicate if the beneficiaries are disabled, and belong to female-headed households.
- The applicant has the option to use any reasonable method which would give an accurate estimate. However, the method used by the applicant should be acceptable to the State. Examples of computing very low-, low- and moderate-income beneficiaries include (1) actual survey of the residents in the project area, and (2) use of the most current HUD Adjusted Census data for the nearest census units such as Census Tracts or Block Groups. However, census data may only be used where the project area is clearly much the same as the census unit in terms of boundaries as well as demographics. For a project community-wide in scope, the percent of very low-, low-, and moderate-income beneficiaries will be generally

the same as the percent of very low-, low-, and moderate-income persons in the jurisdiction.

- To determine income levels in the project area by survey, the applicant must use a survey instrument that contains all the information provided in the State survey form (see sample form), must reach the required survey sample size, and achieve the minimum response rate (see Alabama CDBG Intergovernmental Policy Letter No. 22, Revision 3). Furthermore, if the applicant does not conduct a 100 percent sample, the methodology must explain in detail how the randomness of the survey sample was determined.
- The applicant is advised to use the “Handbook of Procedures for Estimating Income Levels in Community Development Project Area” prepared by Dr. John G. Heilman of Auburn University, together with the State approved survey samples and response rate. Copies of these documents may be obtained from the State. When an income survey of project area households is done, one copy of the complete survey must be kept in the program files along with a map showing a numerical correlation of surveys to households in the project area. This survey is subject to inspection by the ADECA application rating team and will be monitored to verify eligibility should the project be funded. **The applicant shall submit with the application survey map(s) and survey tally sheet(s) (including street addresses) numerically keyed to the survey map(s).**
- For projects utilizing the elimination or prevention of slums or blight as the National Objective, the Project Beneficiary Table will need to be completed. If the applicant needs assistance in identifying a reportable beneficiary group in this area, an ADECA program supervisor should be contacted for technical assistance. Further, for projects utilizing the elimination or prevention of slums or blight on an *area basis* as the National Objective, additional information is required and an ADECA program supervisor should be contacted. The PY2020 CDBG Planning Fund Guide and Application provides information regarding the factors and minimum requirements for establishing slum and blight for an area.

4. **Local Capacity** – Maximum of three text pages.

In addressing the review criteria numbers six and eight, discuss the applicant’s ability to address the needs and what resources have been committed to the implementation of this project. Further, discuss what resources the applicant has available and/or what provisions have been made for long-term operations and maintenance of the proposed facility or improvements. List annual operation and maintenance costs (personnel, utilities, insurance, etc.). Include appropriate resolutions and letters of commitment as attachments to the application.

- Ability to maintain and provide for the long-term operation of CDBG funded activities is important to protect the investment of CDBG funds and assure that the project will deliver the intended benefits to the projected target group. The applicant can address the question of maintenance and operation by specifying projected maintenance and operational expenses such as the cost of personnel, utilities, insurance, etc., and showing capacity in terms of available manpower, dollars, and necessary equipment to

meet the maintenance and operational needs of the project. If the improvements are to be operated and maintained by an entity other than the applicant, include a resolution from the entity for the operation and maintenance of the improvements.

5. Appropriateness – Maximum of three text pages.

In addressing the review criteria numbers nine and ten, indicate why the request for CDBG funds is considered appropriate for the proposed improvements.

- The applicant shall show the importance of the proposed activities and explain why the request for CDBG funds is appropriate from the standpoint of the applicant's inability to provide for these improvements through the applicant's own existing or potential resources. Possible discussion items include local and other resources committed to the project, utility (water & sewer) rates, citizen input, innovative approaches to addressing needs, urgency, cost-effectiveness, CDBG funds requested, involvement of faith-based and community-based organizations, or if the project addresses needs of more than a single community. (Please refer to the Competitive Fund Application Guide for determination of a joint project.) The applicant may receive extra consideration if the applicant 1) applied for Competitive and/or Community Enhancement funds any three consecutive years; 2) was not funded for either Competitive or Community Enhancement funds during those three years; and 3) has not been funded for Competitive and/or Community Enhancement funds since then.

Fund Usage and Benefit Table

Activity - The applicant shall fill out the Fund Usage and Benefit Table by listing all activities including the administrative fees. The number of activities will depend on whether the applicant is proposing a stand-alone activity to address a specific need, two or more activities in a general project area to address multiple needs, or several activities to comprehensively revitalize an identified project area.

Total Activity Cost (Column A) - Under Column A, the applicant shall show total cost for each of the applicable activities listed in the Activity column. The cost for each activity must be the total costs necessary to complete the activity. For example, if the proposed activity consists of sewer lines, the cost of engineering, acquisition of easements, and contingencies, if necessary, must be included in the total activity cost for sewer facilities. The total cost for each activity must equal the sum of CDBG (Column B) and Other Dollars (Column C). Administrative costs shall include both project management as well as other administrative costs related to each activity and must not exceed ADECA authorized limits (see State CDBG Intergovernmental Policy Letter No. 12(a), Revision 2, Dated October 1, 2008.)

CDBG Dollars (Column B) - Under Column B, the applicant shall list the CDBG funds to be spent for each of the proposed activities including administrative costs.

Other Dollars (Column C) - Under Column C, the applicant shall list all other dollars other than requested CDBG Dollars which are to be spent for proposed activities. Other Dollars must include all State and Federal loans and grants, local match, and private dollars. If local match is in in-kind services, such should be assigned a reasonable dollar value based mostly on

actual costs involved. The Other Dollars will be governed by the same rules, regulations and policies which apply to CDBG funds.

Column (B) As % of (X) (Column D) - Under Column D, the applicant shall list the CDBG cost of each activity as a percent of the total CDBG program cost less administrative fees. The applicant should compute this percent by dividing the cost of each activity shown in Column B by the program activities cost denoted by (X) and multiplying by 100. The percent figure should be computed to the nearest whole number.

Number of Direct Beneficiaries (Column E) - The applicant shall list the number of persons to benefit directly and substantially from each of the proposed activities.

Column B ÷ E - The applicant shall list the number of CDBG dollars to be spent per beneficiary for each activity by dividing the CDBG cost from Column B by the number of direct beneficiaries from Column E. The applicant shall remember that for Small City, Large City, and County Fund applications, per beneficiary "ceilings" of \$14,500 for relocation; \$8,500 for housing rehabilitation; and \$4,000 for all other public facilities have been established. All ratios at or below this level will receive maximum points for that activity. For projects involving two or more activities (other than administrative fees), a weighted average will be used. When possible, it is desirable for the applicant to strive for a lower ratio. To do so may potentially result in a higher number of beneficiaries, larger match, greater impact, and probably higher evaluation scores under other rating criteria.

Match Ratio Table

Total Program Cost (a) - Under Total Program Cost, the applicant shall list the total cost of all proposed activities including administrative costs. This is the same figure as shown in (Y) in the Fund Usage and Benefit Table.

CDBG Dollars Requested (b) - Under CDBG Dollars Requested, the applicant shall show total CDBG funds to be spent for all proposed activities including administrative costs. This is the same figure as shown in (Z) in the Fund Usage and Benefit Table.

Other Dollars (c) - Under Other Dollars, the applicant shall show all other funds to be spent on the proposed activities. Other Dollars can be obtained by subtracting CDBG Dollars (b) from Total Program Cost (a). Other dollars include State and Federal grants and loans, local match, local in-kind, private dollars, bond proceeds, and contributions of cash and voluntary work by profit or nonprofit organizations.

Other (Non-CDBG) State and Federal Grant Funds (d) - The applicant shall show the Non-CDBG State and Federal Grant Funds, if any, included in Other Dollars above.

Local Cash Match (e) - The applicant shall show the amount of cash from local sources (general fund, loan proceeds, bond issue, etc.) that will be applied to the project.

Local In-Kind Match (f) - The applicant shall show the amount of local in-kind contributions (labor, equipment usage, voluntary work, etc.) and/or homeowner contributions for housing rehabilitation grants that will be applied to the project.

Total Local Match (g) - Add Local Cash Match (e) to Local In-Kind/Homeowner Contributions (f) to get this figure.

Ratio of Total Local Match to CDBG Dollars (h) - To obtain this ratio, the applicant shall divide the Total Local Match (g) by CDBG Dollars requested (b). The ratio shall be computed up to two (2) decimal points (e.g., 1.25).

The applicant shall identify the amount, source, and contact person for all monies included under Other Dollars. The applicant must attach documentation of a firm commitment of Other Dollars. If Other Dollars include local match (cash or in-kind), the applicant must attach a copy of the Resolution passed by the Council/Commission documenting local match. If Other Dollars consist of private funds such as homeowner contributions for housing rehabilitation grants, the local Resolution shall recognize that, upon funding, if these private dollars do not become available, the locality will be obligated to provide these dollars from local sources. Also, for housing rehabilitation projects where property owner participation is proposed as match, the applicant must clearly show the sources of available grant and/or loan funds to assist homeowners with limited financial resources. Failure to provide sufficient documentation of the availability of Other Dollars will result in the forfeiture of some or all rating points allocated to this aspect of the application.

If the local (non-State and Federal) match ratio is less than 10 percent of the CDBG dollars requested, does the applicant have a population of 1,000 persons or less, per the 2010 Census?

If the applicant is providing a local match of 10 percent or more, check “N/A”. Otherwise, check “Yes” if the applicant’s population is 1,000 or less, or check “No” if the applicant’s population is more than 1,000 per the 2010 Census.

Yes _____ No _____ N/A _____

Indicate whether the requested CDBG dollars, in addition to other available funds shown in the Fund Usage and Benefit Table, would be sufficient to complete the proposed activity enabling it to “stand alone” without other funds and to achieve the benefits identified in the Project Beneficiary Table.

The applicant shall simply check the appropriate space if the answer is “yes”. If the answer checked is “no”, the applicant shall clearly explain whether and how benefits shown in the Project Beneficiaries Table are to be realized.

Certified Assurances

The Certified Assurances form must be completed and signed by the Mayor/Chairman of the County Commission. It must be included in the application submission. The Certified Assurances Form includes:

General/Special State Assurances

Many State and Federal laws, rules and regulations apply to the Community Development Block Grant Program. The applicant shall assure and certify compliance with

these laws, rules and regulations under the signature of the Mayor/Chairman of the County Commission. The applicant shall remember that, upon funding, the State will monitor the grantee's record and performance to insure compliance. The local elected officials are strongly encouraged to review and understand State and Federal requirements to avoid any violations.

Anti-Displacement Assurance

Section 104 (d)(1) of the Housing and Community Development Act of 1974, as amended, contains requirements for a residential anti-displacement and relocation assistance plan. The applicant shall assure and certify compliance with these requirements under the signature of the Mayor/Chairman of the County Commission.

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The applicant shall properly execute this certification assuring that no lobbying efforts were or will be involved in the award of the grant.

Certification Regarding Survey

If a survey is undertaken to determine the project beneficiaries, it is essential that such survey be conducted with full regard to obtaining accurate information. Failure to conduct a survey with less than full regard for accuracy could result in adverse consequences.

Certification Regarding Excessive Force

In accordance with Section 519 of Public Law 101-140, the applicant shall certify that it has adopted and is enforcing a policy of prohibiting the use of excessive force by law enforcement agencies.

Public Disclosure Requirements

Accountability in the Provision of HUD Assistance mandates the public disclosure of individuals who financially benefit from a CDBG grant. This pertains to any contractor, developer, consultant, engineer, etc. who has a financial interest of ten percent (10%) of the grant amount or \$50,000, whichever is less, in the proposed project.