

**Community Development Block Grant
Fund Allocation Plan
(2008)**

I. INTRODUCTION

The Community Development Block Grant's primary objective is the development of viable communities by creating suitable living environments, maintaining and creating decent housing, and creating and maintaining job opportunities for low and moderate income persons.

Communities which are eligible for Community Development Block Grant (CDBG) funds, otherwise known as "entitlement cities," must develop an Allocation Plan stating community goals and objectives on how CDBG funds should be used and spent.

The Fund Allocation Plan has been prepared by the CDBG Committee on Community Development Block Grants to provide a basis for funding decision for Program Year 2008.

The committee was established in order to:

1. Develop an Allocation Plan
2. Reexamine the process for allocating CDBG funds
3. Become actively involved in the awarding of CDBG applications by conducting interviews of all potential applicants, and making recommendations to the Finance Committee and City Plan Commission on which projects should be funded.

The Fund Allocation Plan establishes program categories, funding percentages, and the basis for allocating dollar amounts.

II. FUNDING CATEGORIES

There are four major funding categories: Public Service, Economic Development, Housing and Neighborhood Improvement, and Planning/Management. Proposals must fall within one of the four mentioned categories and will be evaluated on that basis. Projects will be competing for the funds allocated to the respective category. The types of projects that will be considered under each category are as follows:

PUBLIC SERVICE

- Project/Program Delivery Costs
- Equipment to Support Program Services

ECONOMIC DEVELOPMENT

- Revolving Business Loan programs
- Job Creation for Low/Moderate Income Benefit
- Commercial Revitalization

HOUSING AND NEIGHBORHOOD IMPROVEMENT

- Housing Rehabilitation
- Code Enforcement Programs
- New Housing Construction
- Historic Preservation

- Neighborhood Projects
- Public Improvements
- Facility Improvements
- Revolving Loan Fund

PLANNING/MANAGEMENT

- CDBG Implementation
- Comprehensive Planning
- Studies and Long Range Planning

The programs listed above must meet one of the following National Objectives:

- benefiting low and moderate income persons,
- addressing slums or blight,
- meeting a particular urgent community development need.

The programs must also comply with all Department of Housing and Urban Development guidelines and regulations stipulated in 24 CFR Part 570 of the Housing and Community Development Act of 1987.

III. EVALUATION CRITERIA

The following criteria will be used to evaluate proposals. Proposals should address the criteria in order to be considered for funding.

HOUSING PROJECTS

Proposals must be either a Single Family Project or a Multi-Family Project.

Single Family Project

To be considered for funding as a Single Family Project, the proposal must be one of the following:

- acquisition/rehabilitation
- demolition
- new construction

Multi-Family Project

To be considered for funding as a Multi-Family Project, the proposal must be one of the following:

- acquisition/rehabilitation of two or more unit dwellings
- need to be structures that were built as multi-family dwellings
- construction of two or more adjoining units, but not more than 8 units

Proposals must also address the following:

Plan Consistency

To be considered for funding as a Housing Project, the proposal must be contained in one of the following:

- Consolidated Plan
- Neighborhood Plan
- Area Plan
- Agency Plan
- Lincoln/Columbus Neighborhood Revitalization Strategy Area (NRSA)

Benefit

To be considered for funding as a Housing Project, the proposal must benefit:

- 100% low-to-moderate income households for single family projects
- 51% low-to-moderate income households for multi-family projects

Leveraging

To be considered for funding as a Housing Project, the proposal must demonstrate:

- leveraging of funds (private, bank, HOME, HRCI, etc.)
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Location

To be considered for funding as a Housing Project, the proposal must be located within the City's Reinvestment Neighborhood.

Emphasis will be placed on proposals that address activities in the Lincoln/Columbus Neighborhood Revitalization Strategy Areas.

PUBLIC IMPROVEMENT PROJECTS

Proposals must address the following:

Plan Consistency

To be considered for funding as a Public Improvement Project, the proposal must be contained in one of the following:

- Consolidated Plan
- Neighborhood Plan
- Area Plan
- Lincoln/Columbus Neighborhood Revitalization Strategy Area (NRSA)

Benefit

To be considered for funding as a Public Improvement Project, the proposal must benefit:

- 51% low-to-moderate income households, or
- eliminate slums or blight

Leveraging

To be considered for funding as a Public Improvement Project, the proposal must demonstrate:

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Location

To be considered for funding as a Public Improvement Project, the proposal must be located within the City's reinvestment Neighborhood.

Emphasis will be placed on proposals that address activities in the Lincoln/Columbus Neighborhood Revitalization Strategy Areas.

PUBLIC SERVICE PROJECTS

Proposals must address the following:

Plan Consistency

To be considered for funding as a Public Service Project, the proposal must be contained in one of the following:

- Consolidated Plan
- Agency Plan
- Lincoln/Columbus Neighborhood Revitalization Strategy Area (NRSA)

Benefit

To be considered for funding as a Public Service Project, the proposal must demonstrate that:

- 51% of the persons directly benefiting are from low-to-moderate income households, or
- 51% of the persons residing in the area being served are low-to-moderate income

Project Type

To be considered for funding as a Public Service Project, the proposal must demonstrate that:

- the project is a new project, or
- the project is a quantifiable increase in a service already being provided

Leveraging

To be considered for funding as a Public Service Project, the proposal must demonstrate

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Measurable Outcomes

Proposals shall list the measurable qualitative outcome that will result from the use of funds.

FACILITY PROJECTS

Funds received (over \$1,000) for the improvement or construction of facilities shall be secured by a property title lien until the property is sold or leased to a for-profit entity or a non-CDBG eligible not-for-profit entity.

Proposals must address the following:

Plan Consistency

To be considered for funding as a Facility Project, the proposal must be contained in one of the following:

- Consolidated Plan
- Neighborhood Plan
- Area Plan
- Agency Plan
- Lincoln/Columbus Neighborhood Revitalization Strategy Area (NRSA)

Benefit

To be considered for funding as a Facility Project:

- the Agency must serve 51% low-to-moderate income persons, or
- the Project must eliminate slums or blight

Leveraging

To be considered for funding as a Facility Project, the proposal must demonstrate:

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Need

To be considered for funding as a Facility Project, the proposal must demonstrate the following:

- the Project will enhance the services provided by the applicant
- effect or relationship of the project to programming
- the Project is necessary to address conditions detrimental to public health and safety

Location

Emphasis will be placed on proposals that address activities in the Lincoln/Columbus Neighborhood Revitalization Strategy Areas.

ECONOMIC DEVELOPMENT PROJECTS

Proposals must address the following:

Plan Consistency

To be considered for funding as an Economic Development Project, the proposal must be contained in one of the following:

- Consolidated Plan
- Neighborhood Plan
- Area Plan
- Agency Plan
- Lincoln/Columbus Neighborhood Revitalization Strategy Area (NRSA)

Benefit

To be considered for funding as an Economic Development Project, the proposal must benefit:

- 51% low-to-moderate income persons through job creation or retention activities, or
- eliminate slums or blight

Leveraging

To be considered for funding as an Economic Development Project, the proposal must demonstrate:

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Need

To be considered for funding as an Economic Development Project, the proposal must demonstrate the following:

- the Project will enhance the area in which the Project is located
- the Project is necessary to address conditions detrimental to public health and safety

Measurable Outcomes

Proposals shall list the measurable qualitative outcomes that will result from the use of funds.

PLANNING/MANAGEMENT PROJECTS

Proposals must address the following:

Plan Consistency

To be considered for funding as a Planning/Management Project, the proposal must be contained in one of the following:

- Consolidated Plan
- Neighborhood Plan
- Area Plan
- Agency Plan

Benefit

To be considered for funding as a Planning/Management Project, the proposal must demonstrate the impact the project will have on the community.

Leveraging

To be considered for funding as a Planning/Management Project, the proposal must demonstrate:

- leveraging of funds
- CDBG is not the sole source of funding
- the ability to cover the cost of implementing the plan

Need

To be considered for funding as a Planning/Management Project, the proposal must demonstrate the following:

- the Project will enhance the area in which the Project is located
- the Project will enhance or relate to the Agency's long term programming

IV. FUNDING ALLOCATION FOR 2008 (based on a \$1,084,121 allocation)

The categorical percentages established for the CDBG Program during 2008 are listed below:

<u>Program Category</u>	<u>Percentage of Total Program</u>
Public Service	15%
Planning/Management	20%
Housing & Neighborhood Improvement	62 - 65%
Economic Development	0 - 3%

If there is a reduction in CDBG funds received for the year 2008, reductions will be made across the board. If there is an increase in CDBG funds received for the year 2008, these funds will be place in a street resurfacing fund to include curb, gutter, parkway, and sidewalk.

V. REPROGRAMMING OF FUNDS

All funds available for reprogramming for the 2008 program year are designated to be reprogrammed by the CDBG Committee to implement the two Neighborhood Revitalization Strategies (Columbus and Lincoln Neighborhoods) and to undertake activities that fall within the boundaries of the two Neighborhood Revitalization Strategies.

VI. TIMELINESS

All projects funded must be initiated within 12 months of receipt of funds. Agencies requesting extensions must do so by Friday, October 10, 2008, and shall demonstrate an urgent or critical reason for the extension. Extensions shall not exceed six months.

VII. FUNDING REQUESTS

Requests for funding will be allowed once per year during the acceptance of applications usually occurring in August/September. The CDBG Committee will not entertain any special requests, whether they are an emergency or not, at any other time throughout the year. Multi-year funding requests will be allowed.

VIII. INELIGIBLE ACTIVITIES

- Government buildings, except to remove architectural barriers
- General government expenses, except administration of CDBG program/comprehensive planning
- Political activities
- Income payments
- Motor vehicles

IX. LIENS

Liens will be placed on real property that is improved with the use of CDBG funds. Such liens shall remain until the property is sold by the agency receiving the CDBG funds.

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